Vol. 5, No. 4
September/October 1996
$9.00

FREE research by fax!
See PolicyFax insert for details.

Intellectual Ammunition

Potshots

We always hear about the haves and the have-nots. Why don't we hear about the doers and the do-nots?

—Thomas Sowell

I think there is a world market for maybe five computers.

—Thomas Watson, chairman of IBM, 1943

Power is the ultimate aphrodesiac.

—Henry Kissinger

There is no such thing as other people's children.

—Hillary Clinton

Lottery: A tax on people who are bad at math.

I don't know what it is, but I'm against it.

—Groucho Marx

Have you ever noticed that only the government complains when it gets too many customers?

—Jacob Hornberger

Adversity causes some men to break, others to break records.

—William Arthur Ward

Change is inevitable, except from a vending machine.

Misplaced Criticism of MSAs

by Merrill Matthews, Jr.

Medical savings accounts (MSAs) have become the most controversial element of the health insurance reform proposal before Congress.

They should be the least controversial.

MSAs give people the opportunity to move from a traditional low-deductible health insurance plan to one with a high deductible (say $2,000 or $3,000) and to deposit the premium savings in a personal savings account. They use the account to pay for routine and preventive medical care, and the high-deductible policy pays for major expenses. If they have money left over in the MSA at the end of the year, they can withdraw it or roll it over to grow with interest.

Under a typical plan available now in the health insurance marketplace, a family with employer-provided health insurance can get a $1,500 contribution to its MSA and a $2,000 deductible policy. The employee pays for health care expenses with the $1,500, easily enough to cover most families during a year. If the family exhausts the $1,500, the employee pays the next $500 out of pocket, and insurance pays everything over $2,000.

Opponents of current MSA legislative proposals offer several criticisms of them. Yet anyone who understands the MSA and the private health insurance marketplace recognizes that the criticisms are unfounded.

Five bogus criticisms

Bogus criticism no. 1: *MSAs would attract only healthy people, leaving the sick in a separate pool.* During the health care debate a few years ago, critics of the Clinton plan argued that his proposal would limit people's choices. President Clinton responded that people's choices already were limited. Most people, he said, had only one employer health plan to choose from.

Precisely. Employers determine what type of health insurance their employees have. Most companies—83 percent by one estimate—offer their employees only one policy. "Adverse selection"—in which the healthy move into one plan while the sick remain in another—is impossible because only one policy is available.

Many larger employers offer their employees a choice, usually between traditional health insurance and a health maintenance or-

continued on page 3

In This Issue

Crime 4
Education 5
Environment 6
Health Care 7
Law 8
Privatization 10
Regulation 11
Taxes 12
Uncovered 13
Welfare 14
Point of View 15-16
New Books 17
Excerpt 18
Contacts 20

JOIN

The Heartland Institute

Get a FREE copy of

Eco-Sanity!

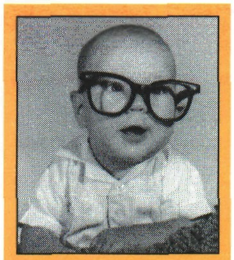
Find out why *Eco-Sanity: A Common-Sense Guide to Environmentalism* has been called "the best reference book on environmental issues available anywhere." It's yours **free** when you become a Heartland Institute Member.

Here's what else you'll get:

- **Free** books, *Heartland Policy Studies*, and *Heartland Perspectives*.
- Special invitations to events in the Midwest and across the country, including exclusive Members-only receptions.
- *The Heartlander*, the monthly newsletter that takes you "inside" The Heartland Institute.
- Annual Memberships just $29!

Send your check or money order to The Heartland Institute at the address below. Or have your Visa, MasterCard, or American Express card handy and call 847/202-3060.

The Heartland Institute
Attn: Member Services
800 East Northwest Highway
Suite 1080
Palatine, Illinois 60067
847/202-3060
e-mail: think@heartland.org



Michael Dixon *(1964)*
vice president, finance

News from the Heartland

by Joseph L. Bast
Publisher

New faces at IA

Two new contributing editors—Murray Weidenbaum and Morgan Reynolds—have joined *Intellectual Ammunition* as regular columnists on regulation and crime, respectively. Both men are highly regarded experts and will help make *IA* even more valuable to you.

Murray Weidenbaum is one of the nation's most respected economists and regulatory scholars. He is chairman of the Center for the Study of American Business, headquartered at Washington University in St. Louis, where he also holds the Mallinckrodt Distinguished University Professorship. In 1981 and 1982, Weidenbaum was President Reagan's first chairman of the Council of Economic Advisors; in that role he helped formulate the Reagan Administration's economic policies. Between 1982 and 1989 he was a member of the President's Economic Policy Advisory Board. Weidenbaum is the author of eight books and several hundred articles.

Weidenbaum's first *IA* column answers environmental critics who blame economists for favoring the economy over the environment. Economists want a clean environment too, Weidenbaum points out, because they "breathe the same air and drink the same water as do other people." What distinguishes economists from their critics, however, is that "we also care about having jobs for people and helping them to improve their standard of living." Economists, Weidenbaum argues, "truly put people first" because they understand that environmental regulations frequently have economic costs that outweigh any benefits to be gained.

Morgan Reynolds is a widely recognized authority on crime issues. The director of the Criminal Justice Center at the Dallas-based National Center for Policy Analysis, Reynolds is also a professor of economics at Texas A&M University. He has written more than fifty articles, including "Using the Private Sector to Deter Crime," "Crime and Punishment in Texas," and "Myths about Gun Control."

Reynolds's inaugural *IA* column describes the benefits to be obtained from putting prisoners to work. Prison labor, Reynolds argues, is "a free lunch available right under our noses. . . . Since prisoners are idle most of the time, prison labor provides a way to improve public safety and reduce criminal justice costs at the same time."

MSA myths

The cover article in this issue of *IA* is by Merrill Matthews, Jr., vice president at the National Center for Policy Analysis and an articulate spokesman for medical savings accounts, one of the most promising health care reform proposals now under consideration. Matthews makes the case for MSAs by countering five "bogus criticisms" of the idea.

Matthews convincingly shows that MSAs would benefit nearly all Americans by increasing consumer choice while encouraging more cost savings. "Once people understand MSAs," Matthews writes, "they realize that tax-free medical savings accounts would reduce health care costs and expand choices in the health care marketplace." ia

Intellectual Ammunition (ISSN 1077-8861) is published bimonthly by The Heartland Institute, a nonprofit, nonpartisan research and education organization. Nothing in *Intellectual Ammunition* should be construed as necessarily reflecting the views of The Heartland Institute or as an attempt to aid or hinder the passage of any legislation. Reprint permission is granted, provided sufficient credit is given to The Heartland Institute. Annual subscription with Heartland membership $49.00; single issue $9.00. POSTMASTER: Send address changes to The Heartland Institute, 800 East Northwest Highway, Suite 1080, Palatine, IL 60067-6516; telephone 847/202-3060, fax 847/202-9799.

Publisher: Joseph L. Bast ◆ **Editor:** Lee Kessler ◆ **Art Director:** Matthew J. Nutting

Contributing Editors: *Crime* Morgan Reynolds, National Center for Policy Analysis; *Education* Joseph Walsh, Center for Rebuilding America's Schools; *Environment* Jonathan H. Adler, Competitive Enterprise Institute; *Health Care* Michael D. Tanner, Cato Institute; *Law* John E. Kramer, Institute for Justice; *Privatization* William Eggers, Reason Foundation; *Regulation* Murray Weidenbaum, Center for the Study of American Business; *Taxes* Stephen Gold, Tax Foundation; *Uncovered* Robert V. Pambianco, Capital Research Center; *Welfare* Robert Rector, The Heritage Foundation.

continued from page 1

ganization (HMO). However, they often price the options to encourage employees to choose one health insurance plan over the other. For example, an employer may make participation in an HMO free, but require employees who want traditional health insurance to pay a contribution, deductible, and/or copayment.

No employer would be required to offer an MSA option. Those who do are free to structure and price their plan as they choose and to drop the plan if they find it unworkable.

Bogus criticism no. 2: *MSAs would attract only wealthy people looking for a tax break.* The MSA legislation before Congress caps the annual tax-free deposit at $2,000 for an individual and $4,000 for a family. The MSA legislation also permits either the employer or the employee to make the deposit, but not both. Thus an individual with extra money cannot "top up" the account above the employer's contribution just to get some tax-free savings.

Furthermore, while the MSA legislation before Congress would permit people to make deposits with pre-tax dollars, hundreds of companies have already switched to MSA plans in which the deposit is made with after-tax dollars. The MSA legislation would simply make those deposits tax free, giving individuals more money to cover routine care. This would primarily help lower-income workers, since high-income workers could more easily pay the $500 out-of-pocket difference between the $1,500 after-tax contribution and their $2,000 health insurance deductible (as in the scenario above).

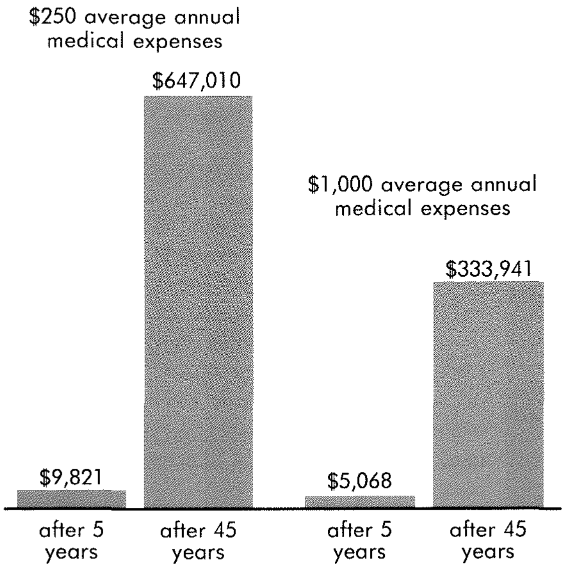
Bogus criticism no. 3: *MSAs are being promoted by special interests.* MSAs let people keep some of the money they or their employer are currently giving to insurance or managed care companies. Not surprisingly, many managed care companies and insurers oppose MSAs. Yet MSA opponents are accusing supporters—who are working to let people keep more of their health care dollars, rather than giving them to insurers—of being controlled by special interests, while those who want insurers and managed care companies to keep all the money portray themselves as patients' advocates.

Bogus criticism no. 4: *MSAs will never provide enough money for people to pay their health care bills.* The vast majority of people spend little money on medical expenses in any given year, so most would have a significant balance in their MSAs at year's end. Since the proposal before Congress imposes penalties for withdrawing those funds for non-health expenses, most people would roll over the balance. This makes MSAs a powerful mechanism for encouraging higher savings.

Consider the findings reported by health economists Gail A. Jensen and Robert J. Morlock in the *Journal of American Health Policy* (May-June 1994). Their 1989 survey of about one million individuals in large self-insured plans, many offering generous benefits, found that

- one-third filed no claims at all;
- 73 percent filed claims for less than $500;
- 89 percent filed claims for less than $2,000.

Projected Savings with Medical Savings Accounts (annual deposits of $1,800)



Journal of American Health Policy *(May-June 1994)*

Thus, as in the example given above, about three-fourths of the employees would have accumulated between $1,000 and $1,500 available for savings at the end of the year.

Jensen and Morlock then calculated the growth of MSA balances under several scenarios. Suppose a twenty-year-old or his employer placed $1,800 a year in an MSA. (That is the actual MSA deposit amount for employees of Jersey City, New Jersey.) Jensen and Morlock estimated the savings that would result if individuals spent, on average, $250 and $1,000 a year over their working lives and earned 8 percent interest on the remaining deposit. (See graph.)

- The person whose expenses averaged $250 a year would have $9,821 after five years and $647,010 at retirement, after 45 years of deposits.
- The person with an average of $1,000 in medical expenses would have $5,068 after five years and $333,941 at retirement.

Bogus criticism no. 5: *Medical Savings Accounts will cost employers more money.* A new study shows that MSAs save employers about as much as managed care does, and could save them much more.

The study by Michael T. Bond, Brian P. Heshizer, and Mary W. Hrivnak of Cleveland State University looked at twenty-seven Ohio firms, all with fewer than two hundred employees and each with an MSA plan. The professors compared the cost of the plans to the cost of traditional insurance.

On average, employees had lower out-of-pocket costs under an MSA plan than under a traditional health insurance plan—about $317 less for individuals and $1,355 less for families. Employers saved, too. The MSA plan for individuals cost more than a traditional plan, but taking the individual and family MSA plans together, the employers saved about 12 percent per year.

Conclusion

Criticism of MSAs for the under-sixty-five population represents a concerted effort to kill MSA legislation. But none of the criticisms is valid. Once people understand MSAs, they realize that tax-free medical savings accounts would reduce health care costs and expand choices in the health care marketplace.

● ● ● ●

Merrill Matthews, Jr., is vice president of domestic policy at the Dallas-based National Center for Policy Analysis.

Crime

Prison Labor Could Reduce Crime

Morgan Reynolds

Morgan Reynolds is director of the Criminal Justice Center at the National Center for Policy Analysis.

Government officials around the country are struggling to find effective and economical solutions to the problem of crime. Yet there's a free lunch available right under our noses: putting prisoners to work. Since prisoners are idle most of the time, prison labor provides a way to improve public safety and reduce criminal justice costs at the same time.

The prison population has grown from 316,000 in 1980 to 1.1 million today, and it is expected to hit 1.6 million in 2002. According to a recent survey, however, fewer than one in ten inmates works at a real job. Prison industries produce over $1 billion in goods and services each year, but that impressive-sounding total represents little more than $1,000 per prisoner each year. And most of the output is shoddy, overpriced merchandise that other state agencies must buy from the prison industry. So productivity behind bars is low and unemployment is high.

Back in 1885 three out of every four prisoners had gainful jobs, the majority under contract or lease arrangements with private employers. Most prisons were self-sustaining, and as far as we can tell, recidivism was pretty low. By 1935, however, the share of prisoners working had slipped to 44 percent, and, of those working, nine in ten worked for state industry rather than private enterprise. All fifty states and the federal prison system have long had prison industry programs but have largely wasted the productive potential of prison labor, their potentially biggest asset. As a result, prisons have become an enormous tax burden costing about $25 billion this year, and recidivism rates, now about 50 percent, have never been higher.

> *The advantages of gainful employment for prisoners vastly outweigh the disadvantages.*

Fewer than two thousand prisoners in the nation work for a private employer through a joint venture with their jailers. And that sorry statistic is not confined to the United States. According to the editors of *The Oxford History of the Prison*, published in 1995, "Today, in more advanced countries, there is little productive work for prisoners to do, so that deadening idleness deepens the pangs and inefficiencies of prison life," and no arrangement "seems to have reached a satisfactory compromise to make the prison a place of useful and profitable production."

The obstacles are self-imposed, yet the advantages of gainful employment for prisoners vastly outweigh the disadvantages. Of course, the political opposition of organized labor and some business owners must be overcome. But the government's first obligation is to citizens—to protect life, property, and social cooperation—not to special interest groups. Policies should break down, not erect, barriers to work—especially when the work will make the streets safer. The U.S. Chamber of Commerce and the AFL-CIO are on record as supporting private-sector prison industries. Let's unleash the productive and civilizing power of the private market system in prisons.

> *Prison labor provides a way to improve public safety and reduce criminal justice costs at the same time.*

A plan for reform

Begin with repeal, partially or wholly, of the Ashurst-Sumners Act of 1940 making it a federal crime to knowingly transport convict-made goods in interstate commerce. Since prisoners overwhelmingly want to work in private-sector jobs with humane conditions, prison labor supply is voluntary, not forced. Repeal the Walsh-Healy Act ban against the use of convict labor in federal procurement contracts over $10,000, and the state laws restricting commerce in prison-made goods and services. Government should step aside. Many for-profit enterprises would hire convict labor, and most convicts want to work.

The state-use laws that compel state agencies to buy prison-made goods and services should be repealed, opening once-captive markets to private enterprise and pressuring prison industries to become competitive. Following South Carolina's lead, prison systems should set up a prison-enterprise recruiting office to encourage and publicize joint production ventures. Modest bonuses might also be paid to wardens and prison officials who make progress toward financial self-sufficiency. Private-prison operators must be allowed to "profit" from the use of prison labor.

Other changes must be made, including repeal of limitations on inmate pay, in order to allow more flexible and competitive arrangements in accord with anticipated productivity. Each month, over forty thousand prisoners are released. Won't we all be safer if they have work experience, some job skills, and a couple of thousand dollars saved?

Available on *PolicyFax*

Safety, Inc.
High-crime urban areas are increasingly relying on private security forces to police the streets. *(The Heritage Foundation, 1995, 7 pp.)*

Call 847/202-4888
Order document #1365401

Nothing "Manufactured" about This Crisis

Joseph Walsh

Joseph Walsh is executive director of the Center for Rebuilding America's Schools.

It's becoming fashionable to argue that maybe the public schools aren't doing so poorly after all. Led by Gerald A. Bracy (*The Manufactured Crisis*), this school of thought is based on the premise that criticism of public schools is just the rhetoric of conservative naysayers who have been able to dupe the public into believing that the quality of our schools is declining.

In response to those who dismiss criticisms of public schools, here are some important points about SAT scores, school spending, and school violence.

SAT facts

Evidence of declining educational achievement can be seen in falling SAT scores over the past several decades.

- Even though the test has been made easier, SAT scores have dropped almost sixty points in the past thirty years.
- The Educational Testing Service has responded to this drop by, beginning in 1995, "re-centering" SAT scores. All SAT scores are now reported on a higher scale, thus masking the more-than-thirty-year decline in scores.

Spending facts

While educational achievement has declined or stagnated over the past thirty years, education spending is now at an all-time high.

According to the U.S. Department of Education, for the 1994-95 school year total spending on elementary and secondary schools was $283.9 billion, an increase in nominal terms of 490 percent since 1972.

Spending per pupil has skyrocketed. At $6,857 in 1994-95, per-pupil spending has risen 554 percent in nominal terms since 1970, and 73 percent in constant 1994 dollars.

None of the top-ten performing states in terms of student achievement ranks among the top ten in per pupil-spending. Utah, for example, spent the least per pupil, yet ranks second on SAT scores and eighth on the National Assessment of Educational Progress test.

Violence facts

Violence in our public schools continues to climb.

- According to William Bennett's *Index of Leading Cultural Indicators*, 20 percent of high school students carry a weapon—firearm, knife, razor, etc.—to school on a regular basis.
- According to the National League of Cities, school violence in 1994 resulted in student death and injury in 41 percent of major American cities.
- Almost nine hundred teachers are threatened, and forty teachers are physically attacked every hour of every school day.
- Approximately 160,000 students miss school daily because they are afraid of getting hurt.

Local control

The decline in the quality of education, as evidenced by the data above, has coincided with a growing federal involvement in our nation's schools. What should the proper federal role be? Perhaps we should follow the advice of former assistant secretary of education Chester Finn.

The federal government, Finn recently testified before a congressional subcommittee, "should recognize that education is the constitutional responsibility of the state, the social responsibility of communities, and the moral responsibility of the parents; never impede the work of families, communities, and state, unless civil rights of individuals are threatened; use the bully pulpit as appropriate, but federal funds should not be used to diminish local control; and foster local control, assist states where necessary, provide statistics and sound assessment, and safeguard individuals from illegal discrimination."

Federal Spending on Elementary and Secondary Education

school year	billions of constant 1994 dollars
1965	$9.7
1970	23.4
1975	29.4
1980	29.7
1981	26.8
1982	23.4
1983	21.8
1984	22.1
1985	23.6
1986	23.1
1987	23.1
1988	23.6
1989	24.1
1990	25.7
1991	28.4
1992	30.2
1993	32.5
1994	33.2
1995	35.2

U.S. Department of Education, Digest of Educational Statistics *(1995)*

Available on *PolicyFax*

The Educational Freedom Amendment
A recently proposed amendment to the California constitution seeks to implement a statewide education choice program. *(Educational Freedom Institute, 1995, 11 pp.)*

Call 847/202-4888
Order document #2166405

Environment

Jonathan H. Adler

Jonathan H. Adler is director of environmental studies at the Competitive Enterprise Institute.

Private Conservation Produces Public Benefits

For over two decades, environmental policy has proceeded under the assumption that only the federal government can provide environmental protection. It is time to develop new approaches to environmental policy to complement, if not supplant, the current reliance on the federal government. Critics of command-and-control environmental regulation know well what they oppose, but it is not clear what they support.

In order to help fill this gap, the Competitive Enterprise Institute has created the Center for Private Conservation. The Center seeks to discover and promote efforts to advance environmental objectives privately, without government control or influence. The Center will study successful private efforts to conserve resources and ecologically sensitive lands, and analyze how various legal and social institutions can affect the ability of individuals and communities to advance environmental ends. Through this work, the Center hopes to help reinvigorate America's proud, but seemingly forgotten, conservation tradition—a tradition that relied more on the good works of individuals and voluntary associations than the edicts of government.

Examples illustrating the public benefits of private conservation abound, but tend to be ignored. Important studies, such as the Special Report on "The Public Benefits of Private Conservation" in the Fifteenth Annual Council on Environmental Quality Report, have been overlooked within the environmental community. Today's Washington-based environmental lobbyists seem uninterested in solutions to environmental problems that do not emanate from the federal government. But many potential solutions exist.

Consider just a few examples of private conservation in action:

- The Hawk Mountain Sanctuary is a two thousand-acre wildlife refuge located in eastern Pennsylvania along the Appalachian Mountains. It was founded in 1934 by a conservationist concerned about the local slaughter of migrating raptor species. Mrs. Rosalie Edge raised money to purchase the land and protect these birds from decline. The sanctuary soon became an important raptor research site. The first legislation to protect migratory birds would not be enacted until many years later.
- David Bamberger, a game rancher in Texas, has singlehandedly preserved twenty-nine of the thirty-one remaining bloodlines of the scimitar-horned oryx, a rare antelope species. In fact, by some accounts there are more oryx in Texas today than there are in its native North African range. This is hardly an isolated example. Private landowners have raised and bred many foreign species in this country, but because private ownership of indigenous, non-domesticated wildlife is illegal in the United States, such success stories are less widespread than they could be.
- Willapa Bay, Washington, is the home of America's premier oyster fisheries. It is no coincidence that Washington is the only state that allows fee-simple ownership of oyster beds. The private ownership of oyster beds has produced significant environmental improvements by encouraging oyster growers to protect their investments—and their livelihoods—by controlling pollution and improving oyster harvesting techniques. In a real sense, the private ownership of oyster beds allows oystermen "to behave more like farmers than gatherers and exploiters," notes CEI research associate Michael De Alessi, who coordinates the Center for Private Conservation's work.
- The Paul J. Rainey Wildlife Sanctuary in Louisiana, a 26,800-acre refuge owned and operated by the National Audubon Society, serves as the nesting and breeding grounds for many species of migratory birds. While the sanctuary is off-limits to bird watchers, Audubon has allowed oil and gas development on site for nearly thirty years. As a private owner, Audubon had the authority, and incentive, to work with oil companies to develop low-impact drilling methods. Audubon's ownership and control of the refuge enabled it to combine ecological protection with economic development.

> *Too many environmental activists have simply overlooked the fact that private stewardship is a powerful means of protecting environmental quality.*

Too many environmental activists have simply overlooked the fact that private stewardship is a powerful means of protecting environmental quality. Ownership empowers individuals to defend resources directly, rather than through lobbying or other indirect means. In an era of shrinking government responsibilities but ever-present ecological concerns, it is imperative that America develop a greater reliance on non-governmental means of protecting the environment, of which private conservation is a necessary component.

The best stewards of threatened ecological resources are typically private stewards. Relying more on private conservation efforts will improve environmental protection without threatening economic liberty. It is time that America's proud conservation tradition be rediscovered.

Available on *PolicyFax*

Examples of Private Environmental Protection
The protection of rare species and habitat is often conducted by private organizations working outside the limelight of publicity. *(PERC, 1995, 4 pp.)*

Call 847/202-4888
Order document #2323109

Health Care

Writing a Blank Check for Mental Health

Michael D. Tanner

Michael D. Tanner is director of health and welfare studies at the Cato Institute.

A few years ago a young woman in Pittsburgh, who had trouble getting to work on time, found a psychiatrist who declared that the woman suffered from "chronic lateness syndrome." Now, if Congress and many state legislatures have their way, every insurance policy in America could be forced to provide coverage for this woman and millions like her.

After less than thirty minutes of debate, the Senate voted to amend the proposed Kennedy-Kassebaum health care reform bill to require insurance to treat physical and mental disorders identically. The Senate's action follows moves by several states to require parity in the insurance coverage of mental and physical illness. Unfortunately, the result is likely to be higher insurance premiums and more uninsured Americans.

> *Mental disorders differ from physical illnesses in that they are often difficult to diagnose; there are few guidelines for treatment; and there is no definitive way to prove that a person is cured.*

Everyone wants those suffering from mental illness to have access to the treatment they need. However, an old legal dictum states that hard cases make bad law. This is no exception. Mandating parity for mental health treatment amounts to a virtual blank check for the mental health industry, going far beyond recognized mental illnesses to include all forms of mental disorders, an open-ended term that could require coverage for those suffering from every possible malady: from people who believe they have been abducted by space aliens to those suffering from seasonal adjustment disorder, otherwise known as the "winter blues."

Mental disorders differ from physical illnesses in that they are often difficult to diagnose; there are few guidelines for treatment; and there is no definitive way to prove that a person is cured. Woody Allen, for example, has reportedly been in psychoanalysis for thirty-three years. As E. Fuller Torrey, himself a psychiatrist and author of *Surviving Schizophrenia*, warns, "When you start talking about mental disorders that really is a black hole. . . . If you make it possible to define unhappiness as a medical problem . . . you could bankrupt the system."

Current treatment for alcohol and drug abuse provides an unhappy precedent. Studies of the treatment industry have repeatedly found clinics whose treatment protocols amazingly lasted exactly as long as insurance paid the bills. The same is likely to happen with mental health treatment. As one observer put it, "If your employer is willing to pay for thirty visits to a psychiatrist, your psychiatrist will treat you in thirty visits; if your employer will pay for sixty, it will take sixty to cure you."

As a result, insurance premiums could rise dramatically. Worse, as premiums increase, many small businesses could be forced to cut back on coverage for physical illnesses or to drop coverage altogether. In addition, young and healthy people, faced with higher insurance costs, may decide to forgo insurance.

Moreover, mandating coverage for mental health takes us in precisely the wrong direction for health care reform. Most health care economists understand that one of the primary causes of rising health care prices is our third-party payment system, which insulates consumers from the cost of their health care decisions. Put simply, when consumers believe that something is free, they consume too much of it, driving up prices. Think of it this way: If your food was paid for through insurance that was provided by your employer, you would eat a lot more steak and a lot less hamburger. Countering this problem has been the motivation behind most free-market health care reform proposals such as medical savings accounts (MSAs).

Instead of addressing the third-party payment problem, mental health mandates extend it to a whole new class of health problems. This will inevitably lead to an increase in health care costs.

> *If your employer is willing to pay for thirty visits to a psychiatrist, your psychiatrist will treat you in thirty visits; if your employer will pay for sixty, it will take sixty to cure you.*

The Senate amendment will not likely survive as part of the final bill. Therefore, the real danger is that state legislatures will impose the mandate themselves. Compassion is important, but so too is common sense. When confronted with demands to mandate mental health parity, legislators should stick to common sense.

Available on *PolicyFax*

Mandated Benefits

Many health care reform proposals include mandated benefit requirements, which force consumers to pay for benefits they don't want or need. (*Citizens for a Sound Economy, 1994, 3 pp.)*

Call 847/202-4888
Order document #3236108

Scott G. Bullock

Scott G. Bullock is an attorney at the Institute for Justice.

A Misguided Call for Mandatory Volunteering

President Clinton's philosophy may be at times enigmatic, but never were his core ideals more on display than during a commencement address at Pennsylvania State University, when he advocated that all public middle and high schools make volunteering mandatory.

Under so-called "mandatory community service" programs, students must perform a certain number of hours of service in the manner prescribed by school officials or they will be denied a high school diploma. America's grand tradition of conscience and goodwill would thus be reduced to a public school graduation requirement.

President Clinton has thrown his support behind a misguided and unpopular idea. Although a handful of politicians and policy groups support these programs, very few in the education community advocate mandatory service. When the Maryland State Board of Education imposed the first statewide service program in 1993, twenty-two out of twenty-four local school districts opposed it, as did the teacher's association and the PTA.

Educators recognize an obvious point seemingly lost on President Clinton and other mandatory service advocates: Coercion and threats are a terrible way to teach young people the value of voluntarism. Mandatory service transforms volunteering into yet another graduation requirement to be filled, viewed by students with as much enthusiasm as they view algebra problems or term papers.

Students' lack of enthusiasm is abundantly evident in Maryland, where a stunning two-thirds of next year's graduating class (the first class affected by the seventy-five hour requirement) has not completed even one hour of service. Although they will try, mandatory service supporters cannot blame that on apathy or selfishness on the part of today's youth. Polls consistently show that over 50 percent of teenagers volunteer on their own, through community groups, churches, and their families.

Young people today, however, are savvy, and they can tell the difference between voluntarism and feel-good mandatory service programs designed and imposed by politicians and policy groups.

Besides encouraging an unwise and unnecessary program, President Clinton also invites public schools into a legal thicket. Mandatory volunteering represents another instance of public schools going too far, intruding into areas that traditionally have been left to families and individuals. Understandably, many parents are upset and have challenged the right of public schools to conscript their children into state-administered service programs.

In May, parents from New York will file an appeal with the U.S. Supreme Court asking the Court to hold that mandatory service programs violate their Fourteenth Amendment right to direct their children's education.

So far, parents challenging these programs have been unsuccessful. The decisions upholding school district authority, however, have not been exactly ringing endorsements of mandatory volunteering. One judge went so far as to label a New York program "Orwellian."

But even if courts uphold the power of public schools to require service, constitutional dilemmas will continue to haunt school officials. Service by its very nature is deeply personal and highly subjective. Public school officials are now called upon to determine what is and is not "true" community service.

> *Public school officials are now called upon to determine what is and is not "true" community service.*

Should public schools, for example, award credit for service performed through religious organizations? Some school districts, in violation of free speech guarantees, blatantly discriminate against religious service. A New York school district, for instance, told a Jehovah's Witness student that what he perceived as the highest form of service—proselytizing door to door in order to save souls—was invalid. Yet if public schools award credit for religious service, such as singing in a church choir or teaching Sunday school, they can worry about violating the Constitution's Establishment Clause.

Problems also arise when students petition for credit for controversial political causes. Indeed, some service programs have become little more than vehicles through which service coordinators can impose a politically correct agenda on students. Organizations such as Greenpeace and Planned Parenthood routinely appear on lists of approved service organizations, while students wishing to work for the National Rifle Association or Operation Rescue are told to look elsewhere.

Over 150 years ago, Alexis de Tocqueville marveled at the strength of American voluntarism and the abundance of charitable associations in this country, a tradition that continues to this day. He contrasted these "civil" institutions with political bodies, a sphere of society not particularly suited for nurturing what he described as "habits of the heart." By interjecting public schools into the civil institutions of our society, President Clinton undermines the very values of community and cooperation he supposedly seeks to advance.

Available on *PolicyFax*

National Servants: Undermining Traditional Charity
A national service program would undermine traditional understandings of sacrifice and service. *(Capital Research Center, 1994, 8 pp.)*

Call 847/202-4888
Order document #6401401

FROM THE CREATORS OF INTELLECTUAL AMMUNITION

The **World Wide Web** site of The Heartland Institute is the perfect complement to *Intellectual Ammunition.*

You'll find new reviews of the latest documents available on *PolicyFax.* The full text of popular Heartland publications like *Intellectual Ammunition, Heartland Policy Studies,* and *Heartland Perspectives.* Plus the latest news from your favorite think tank.

Heartland's Web site is updated regularly. Which means that if the information you want isn't there today, it'll probably be there tomorrow.

Check us out at **http://www.heartland.org**. And if you have any questions or problems, give Lee Kessler a call at 847.202.3060. He'll be glad to help.

HTTP://WWW.HEARTLAND.ORG

William Eggers

William Eggers directs
the Reason Foundation's
Privatization Center

Governments Turn to Private-Sector Prisons

As governments struggle to reconcile the demands of rapidly increasing prison populations with widespread voter antipathy to new taxes, corrections has emerged as one of the hottest areas in privatization. In 1995 the number of privately operated adult prisons rose by 15 percent, from 88 to 104.

First Pennsylvania prison privatized

The growth in corrections privatization has come despite virulent opposition from some quarters, especially prison guards' unions. Consider a recent prison privatization in Delaware County, Pennsylvania.

On April 1, the county turned over the operation of its fifteen-hundred-bed prison to the Florida-based Wackenhut Corporation. The seven-year contract is expected to save the county $45 million. Wackenhut has also been awarded contracts by the county to build and operate a new county jail.

The ultimate result of the privatization is uncertain, however, because the county's action has been challenged in court by the prison guards' union, even though Wackenhut has promised to hire all two hundred of the prison guards.

The union's main beef is that privatization will increase their health care co-payments and, more importantly, end the practice of paying out lucrative overtime to guards. "The biggest difference [is that] they won't be making tons of overtime," says Prison Board chairman Charles Sexton. "Private businesses don't have the overtime problems that government has. We spent $1 million in overtime last year, county-wasted money."

Other prison privatization developments

In what is being called the largest prison privatization to date, Wackenhut was chosen to manage two New Mexico prisons, a twelve-hundred-bed facility in Santa Rosa and a twenty-two-hundred-bed facility in Hobbs, New Mexico. Wackenhut has entered into a partnership with several firms to design and build the prisons, both of which include a mix of minimum and maximum security sections. The Hobbs prison, once completed in October 1997, will be the largest private prison in the U.S.

Juvenile-justice privatization

Public concern over rising crime among juveniles has led to renewed efforts to find effective treatment and incarceration facilities for youthful offenders. Many states are turning to private providers for help.

Nationwide, roughly thirty-five thousand adjudicated juveniles—about 38 percent of the total—are housed in two thousand privately operated facilities, including training centers, ranches, shelters, halfway houses, and group homes.

Youth Services International, Inc., the largest for-profit private provider of educational and treatment services for adjudicated youth, serves over four thousand juveniles. The company operates nineteen facilities in twelve states and receives juveniles from thirty-six states.

YSI's stated goal is to "change dramatically the thinking and behavior of troubled youth, preparing them to become self-sufficient taxpayers." That involves teaching students not just educational and vocational skills, but also behavior-management skills. For example, YSI has created programs such as Victim Awareness, Anger Management, and Alternative Solutions.

The cornerstone of YSI programs is education. Says YSI president Henry D. Felton, "YSI is not about incarceration, warehousing, retribution, revenge, or punishment. We do not have inmates, we have students."

> *As governments struggle to reconcile the demands of rapidly increasing prison populations with widespread voter antipathy to new taxes, corrections has emerged as one of the hottest areas in privatization.*

A survey of students who had been out of YSI's facilities for at least a year found that

- 60 percent were attending school;
- 77 percent of those attending school were passing with a 2.0 GPA or better;
- 87 percent had stayed out of the courts; and
- 87 percent felt the YSI program had been beneficial.

The average per-pupil cost per day of YSI programs is $114, but it ranges from $75 to $220 a day. Says YSI CEO Robert Hindman, "We can save 20 percent of the cost per pupil [compared to similar public residential programs for adjudicated youth] as well as provide a higher quality of education."

Available on *PolicyFax*

Private Adult Correctional Facility Census
An outline of the prison privatization movement, and an analysis of the remarkable advances that have been made during the past decade or so. *(Center for Studies in Criminology and Law, 1996, 9 pp.)*

Call 847/202-4888
Order document #6512305

Regulation

Murray Weidenbaum

Murray Weidenbaum is chairman of the Center for the Study of American Business.

Consumers Pay for Government Regulation

I feel obliged to reveal a well-kept secret: Economists breathe the same air and drink the same water as do other people. Therefore, we have a strong personal interest in achieving a healthier environment. What makes us different from many environmental critics is that we also care about having jobs for people and helping them to improve their standard of living.

Rather than promoting the Earth first, we truly put people first. We do not talk about saving the planet because we are not so careless that we would lose it in the first place.

It is in that spirit of serious concern about environmental and other social issues, as well as the economic aspects of our lives, that we should take up the subject of government regulation. At the outset, we should acknowledge that no regulatory agency has the express mission of depressing the economy or raising the unemployment rate. However, many of their actions generate those undesirable effects.

The barriers to economic growth imposed by regulatory agencies are numerous and growing. Regulatory costs are a hidden tax reducing both the competitiveness of American business and employment opportunities in the United States. However, these economic concerns should not detract us from the compelling need to respond responsibly to the public's continuing concern about environmental quality, product safety, etc.

> *Regulation is not a business issue. It is a consumer concern.*

Nevertheless, developing that responsible approach is especially difficult because the popular view of regulation is wrong. It is not a contest between the "good guys" (government and the consumer, presumably) and the "bad guys" (business, of course). The reality is that the consumer is at the receiving end of the benefits as well as the costs generated by government regulation.

The pervasiveness of regulation becomes apparent when we look at regulation's impact on the typical company. For each box on its organizational chart, there are several government agencies that are counterparts to that box: EPA and construction of new facilities, OSHA and the workplace, EEOC and human resource policies, etc.

Each of the federal alphabet soup agencies—and their state, county, and municipal counterparts—is heavily involved in the company's internal decision making. So is CFTC, CPSC, DOC, DOD, DOL, FAA, FCC, FDA, FERC, FMC, FTC, ITC, NHTSA, NLRB, NRC, OFCC, PBGC, USDA, and IRS.

The impact of these governmental rule makers is in one predictable direction: they increase the firm's overhead and operating costs and reduce the resources available to perform its basic task of producing goods and services for the customer.

Think of what it now takes to locate a new factory. A company must obtain approval from dozens of agencies at each of three or more levels of government. A single "no" anywhere along the line at any time can halt years of planning and investment.

> *It takes approximately fifty-five million hours each year just to work up the reports required by federal environmental statutes.*

Even when the regulators say yes, the paperwork burden can be staggering. It takes approximately fifty-five million hours each year just to work up the reports required by federal environmental statutes. The estimated annual cost is $2.9 billion. The total expense for complying with EPA rules is $130 billion a year—and rising rapidly.

But, at its heart, regulation is not a business issue. It is a consumer concern. The cost of compliance with government regulation is buried in the higher prices that customers pay. But that disguise makes regulation especially attractive to government officials. The costs do not show up in the government's budget, and thus do not have to be paid for by taxation.

Remember the old wisecrack, "The best tax is a hidden tax." Citizen-consumers, however, do not escape from the burden. They pay those costs in the form of higher prices—or what we can call the "regulatory tax."

As an educator, this columnist believes that the first step to reforming government regulation is to inform consumers about their key stake in the costs as well as the benefits of all those rules, ordinances, and prohibitions. Only then can we reasonably expect to generate the support necessary to improve the regulatory process.

Available on PolicyFax

- Government Regulation and Medium-Sized Business (*Center for the Study of American Business, 1996, 7 pp.*) **#7212406**
- OSHA's Trivial Pursuit (*The Heritage Foundation, 1995, 8 pp.*) **#7272403**

Call 847/202-4888

Stephen Gold

Stephen Gold is
director of communications
at the Tax Foundation.

Effective Tax Rates Continue to Climb

The average effective tax rate for residents of Connecticut and New York will rise above 40 percent this year, according to Tax Foundation projections, the second consecutive year that those states have experienced such high levels of taxation. The effective tax rate for the nation as a whole will be 34.8 percent in 1996. (An effective tax rate is the actual tax rate paid, after deductions, exemptions, and credits are taken into account.)

The Tax Foundation's analysis includes all taxes levied at the federal, state, and local levels. This figure is divided by total income to determine the effective tax rate.

Connecticut's rate of 41.4 percent will be tops in the country this year, edging out New York, whose residents will experience an average effective tax rate of 40.1 percent. However, as the accompanying table shows, the residents of these two states wind up at these total burdens by different means. Connecticut's high tax load stems from its federal tax burden, which is directly related to the affluence of the state and the progressivity of the federal income tax. On the other hand, New Yorkers can point to the nation's highest state and local taxes to explain their high tax burden.

At the other end of the scale, Alabama will have an average effective tax rate of 31 percent this year, lowest in the U.S. Alabama's federal effective tax rate will be 21.8 percent—again, a reflection of its level of affluence—while its state effective tax rate will be 9.2 percent, fourth lowest in the nation. Mississippi and Missouri will experience the second lowest overall tax burden in the nation this year. The two states may share the same total effective tax rate, but like Connecticut and New York, they come to it through different routes. Missouri's federal rate will be 22.3 percent of total income, compared to Mississippi's rate of 20.2 percent. But Missouri's state/local tax rate will be 9 percent of total income, whereas Mississippi's will be 11.1 percent.

Public policy commentators often point to low tax burdens as a double-edged sword: the taxpayers don't pay as much in taxes, but they also don't get as many government services. Economist Patrick Fleenor, author of the Tax Foundation's annual "Tax Freedom Day" report, expresses reservations about this reasoning. "Such logic assumes that all residents of the state consume an equal amount of government resources. It also assumes that tax dollars are more efficiently spent than private dollars—and that the money is going exactly where the taxpayers would have spent it. This is rarely the case."

The average effective federal tax rate nationwide will be 23 percent this year, while the rate for state and local taxes combined will be 11.8 percent. The average federal rate has fluctuated since 1960, reaching a high of 23.5 percent in 1981 and a low of 19.2 percent in 1965. On the other hand, the average state/local tax rate has continually climbed over the years, from 8.6 percent in 1960 to its current level.

Average Effective Tax Rates by State

		total tax rate	federal tax rate	state/ local tax rate
	Total U.S.	34.8%	23.0%	11.8%
1	Connecticut	41.4	27.4	14.1
2	New York	40.1	24.1	16.0
—	District of Columbia	38.9	24.0	14.9
3	New Jersey	37.8	24.9	12.9
4	Minnesota	36.9	23.5	13.4
5	Wisconsin	36.9	22.9	14.0
6	New Mexico	36.2	21.4	14.8
7	Rhode Island	36.2	23.9	12.3
8	Hawaii	35.9	21.9	14.1
9	Vermont	35.9	22.6	13.3
10	Washington	35.8	23.4	12.4
11	New Hampshire	35.8	23.5	12.3
12	Michigan	35.4	23.5	11.9
13	Pennsylvania	35.4	23.2	12.3
14	Massachusetts	35.4	24.0	11.4
15	North Dakota	35.2	22.7	12.5
16	Illinois	34.9	24.3	10.7
17	Maryland	34.7	23.2	11.5
18	Oregon	34.3	22.4	12.0
19	California	34.3	22.6	11.7
20	Kansas	34.3	22.8	11.5
21	Maine	34.2	21.0	13.2
22	Iowa	34.1	21.9	12.3
23	Ohio	34.1	23.1	11.0
24	Nebraska	34.0	22.4	11.6
25	Arkansas	33.9	22.6	11.3
26	Wyoming	33.7	24.0	9.7
27	Nevada	33.7	22.9	10.7
28	Montana	33.7	22.3	11.4
29	Texas	33.6	22.5	11.1
30	Idaho	33.6	21.5	12.1
31	Alaska	33.5	25.2	8.3
32	Colorado	33.4	23.3	10.1
33	Florida	33.4	22.7	10.6
34	North Carolina	33.1	21.4	11.7
35	Indiana	33.1	22.4	10.7
36	Oklahoma	33.1	21.9	11.2
37	Kentucky	33.1	21.4	11.7
38	Virginia	32.7	22.7	10.0
39	Georgia	32.7	22.0	10.7
40	Arizona	32.6	20.9	11.7
41	Utah	32.4	20.6	11.8
42	Tennessee	32.3	22.3	9.9
43	South Carolina	32.1	21.4	10.7
44	West Virginia	31.8	20.6	11.2
45	South Dakota	31.6	22.2	9.4
46	Delaware	31.6	25.2	6.4
47	Louisiana	31.5	21.7	9.8
48	Missouri	31.3	22.3	9.0
49	Mississippi	31.3	20.2	11.1
50	Alabama	31.0	21.8	9.2

Available on *PolicyFax*

Simply Reforming the Income Tax
Eliminating the income tax would be more fair and would boost economic growth.
(The Heartland Institute, 1995, 3 pp.)

Call 847/202-4888
Order document #8036110

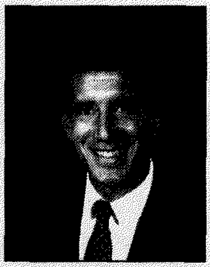
PolicyFax
UPDATE

847·202·4888

INSTANT
DELIVERY
BY FAX

SEPTEMBER/OCTOBER
1996

WRITE YOUR POLICYFAX
ACCOUNT NUMBER HERE:



Welcome to *PolicyFax* Update!

by Sen. Chris Lauzen (Illinois)

I am pleased to welcome you to the latest edition of *PolicyFax Update*. It's your guide to thousands of public policy documents from more than one hundred of the nation's leading think tanks, publications, and trade associations. *PolicyFax* is easy to use, and it's **free** for elected officials and journalists.

Every publication reviewed in the following pages is available instantly, by fax, simply by calling 847/202-4888 and following the recorded instructions. (For more information about how to use *PolicyFax*, turn to page 2 of this insert.) *PolicyFax* is available twenty-four hours a day, seven days a week.

Before you call, check your mailing label for your eight-digit *PolicyFax* account number. Write that number in the box above, so you'll always have it handy. If no number appears on the mailing label, fill out the form on page 27 of this insert, and fax it back to Heartland at 847/202-9799.

PolicyFax is fast and easy to use. It's like having a full-time research assistant! Give it a try today.

Sincerely,

Chris Lauzen

Hon. Chris Lauzen
Chairman, *PolicyFax* Advisory Committee*

---

*The *PolicyFax* Advisory Committee is an unpaid panel of elected officials who recommend topics and documents to be included in *PolicyFax*. To find out more or to become a committee member, call Matthew Nutting at 847/202-3060.

USING POLICYFAX

What Is PolicyFax?

PolicyFax is your "just in time" delivery system for cutting-edge public policy research and commentary. It delivers the information you want, when you want it, twenty-four hours a day and seven days a week. Over three thousand documents on state and national public policy issues are available.

You don't need a computer to use *PolicyFax*! Just call 847/202-4888 and follow the recorded instructions.

How to Order PolicyFax Documents

To have a document sent instantly to your fax machine, follow these steps.

1. Dial 847/202-4888 and listen for the greeting.
2. Press "1" to order documents.
3. Enter your *PolicyFax* account number.
4. Enter the seven-digit number for the document you wish to order. Wait for the prompt, then enter the number for the next document you wish to order. You can order up to three documents in a single call.
5. If you order fewer than three documents, you will be prompted to press "✻" to conclude your order.
6. When prompted, enter your fax number, or press "1" to confirm your fax number.
7. Hang up. Your documents will be faxed to you in a few minutes.

PolicyFax Is Free for Elected Officials and Media

If you are an elected official, editor, reporter, or talk show host, you can receive *PolicyFax* documents for free, if you have a *PolicyFax* account. **Check your mailing label. If you see an eight-digit number, it means you already have an active account and need not fill out another application form.**

If no account number appears on your mailing label, you may request that an application be faxed to you by calling the *PolicyFax* number (847/202-4888) and pressing "2" when prompted. The recorded message will instruct you to enter your fax machine number. The form will be delivered to your fax machine a few minutes later.

There is no charge to open a *PolicyFax* account, and no charges will appear on your phone bill.

For Other Users, PolicyFax Documents Cost $5 Each

If you are not an elected official, editor, reporter, or talk show host, you can still use *PolicyFax*. However, there is a $5 charge for each document you order. You will be prompted to enter your *PolicyFax* account number at the time of your order. Your credit card will automatically be charged each time you order a document.

To open a *PolicyFax* account, complete the form on page 27 of this insert and fax or mail it to us. Alternatively, call the *PolicyFax* number (847/202-4888) and enter "2" at the first prompt. An application form will be sent automatically to your fax machine. When we receive your completed application form, we will assign you an account number.

PolicyFax Documents by Mail!

The documents reviewed in this *PolicyFax* Update are available by mail as well as by fax. The cost of fulfilling such requests, however, prevents us from offering documents by mail to legislators and journalists for free. Documents by mail are $5 each, regardless of length. Requests must be prepaid by check or credit card and will be fulfilled within one week. Send your request by fax to 847/202-9799; by mail to The Heartland Institute, 800 East Northwest Highway #1080, Palatine, IL 60067; or by e-mail to think@heartland.org. Be sure to include payment information with your request.

THE HEARTLAND INSTITUTE

PolicyFax is managed by The Heartland Institute, a nonprofit, nonpartisan research organization that applies cutting-edge research to state and national public policy problems. Since 1984, Heartland researchers have addressed a wide range of issues, including the environment, education reform, taxes, and deregulation.

Through books, policy studies, and short opinion pieces, as well as through *PolicyFax* and the institute's bimonthly magazine, *Intellectual Ammunition*, Heartland strives to be an indispensable source of public policy information for the nation's elected officials, the media, and public policy researchers.

For more information about The Heartland Institute, please call us at 847/202-3060 or e-mail us at think@heartland.org. Alternatively, visit our World Wide Web site, available at **http://www.heartland.org.**

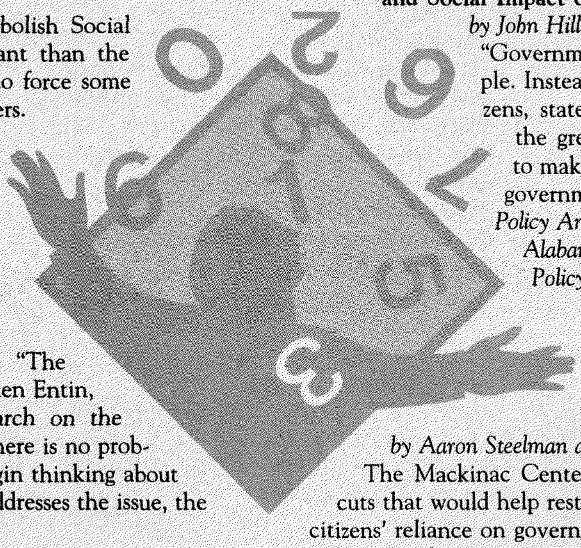
TABLE OF CONTENTS

Budget 3
Civil Rights 4
Crime 5
Economic Development 6
Economy 6
Education 7
Environment 10
Family 13
Governing 14
Health Care 17
Humor 19
Labor 20
Law 20
Privatization 21
Regulation 22
Society 23
Taxes 24
Trade 26
Welfare 27
Account Application 27

BUDGET

How Corporate Welfare Won
by Stephen Moore and Dean Stansel
Both Congress and President Clinton vowed to end "corporate welfare," yet the federal government currently spends $75 billion a year on direct subsidies to business. Congress cut just $2.8 billion, or 15 percent, from corporate welfare in 1996.
Policy Analysis, May 15, 1996
Cato Institute
PolicyFax #8077402 (part 1, 15 pp.)
#8077403 (appendix, 15 pp.)

The Moral Case to Abolish Social Security Now
by Robert W. McGee
There are practical, economic reasons to abolish Social Security, but those reasons are less important than the moral case against the system: It is unjust to force some Americans to pay for the retirements of others.
Policy Brief, March 15, 1996
The Dumont Institute
for Public Policy Research
PolicyFax #8078401 (3 pp.)



Social Security Retirement and Disability Programs Need Help Now
by Stephen Entin
Social Security reform cannot be delayed. "The worst thing Congress could do," writes Stephen Entin, resident scholar at the Institute for Research on the Economics of Taxation, "is to pretend that there is no problem and wait until the checks are late to begin thinking about changing the system. The sooner Congress addresses the issue, the better."
Congressional Advisory, May 14, 1996
Institute for Research on the Economics of Taxation
PolicyFax #8078101 (4 pp.)

No Easy Way Out
by John Attarian
National Development Council Chairman Sam Beard has proposed a plan to "turn every hard-working American into a millionaire" via "a radically redesigned Social Security system" (see *PolicyFax* document #8036104). There's only one problem, says economist John Attarian: Beard's plan won't work.
Article, July 1996
Reason
PolicyFax #8078402 (5 pp.)

Theft by Consent: The Lottery's Economic and Social Impact on Alabama
by John Hill
"Government exists to serve and protect the people. Instead of working in the interest of their citizens, state governments that run lotteries exploit the greed, ignorance, and gullibility of citizens to make as much money as possible. In order for government to win, its citizens must lose."
Policy Analysis, May 1996
Alabama Family Alliance
PolicyFax #0828401 (part 1, 13 pp.)
#0828402 (part 2, 13 pp.)

Advancing Civil Society: A State Budget to Strengthen Michigan Culture
by Aaron Steelman and Joseph P. Overton
The Mackinac Center for Public Policy has proposed budget cuts that would help restore civil society in Michigan by reducing citizens' reliance on government programs.
Analysis, April 1996
Mackinac Center for Public Policy
PolicyFax #0875301 (preface, introduction, and summary, 8 pp.)

CIVIL RIGHTS

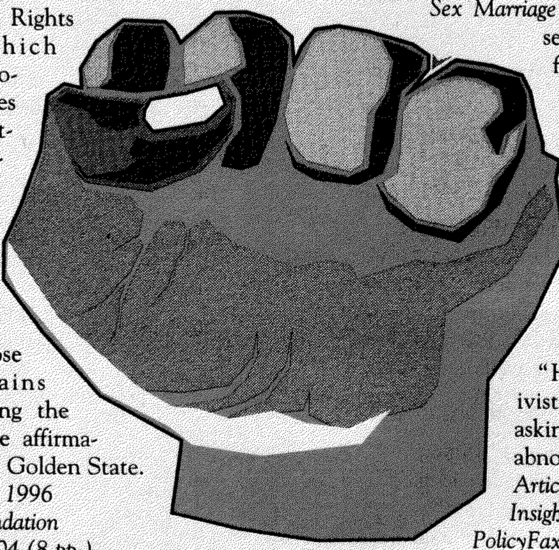
Racial and Sexual Discrimination
by Walter E. Williams
Racial and sexual discrimination are problems to be overcome, but discrimination alone cannot explain differences in income between whites and blacks and men and women.
The St. Croix Review, April 1996
Religion and Society, Inc.
PolicyFax #1200416 (7 pp.)

Diversity and Opportunity
by Linda Chavez
The author of *Out of the Barrio: Toward a New Politics of Hispanic Assimilation* makes a convincing case that affirmative action programs do not help those most in need of it.
Philanthropy, Spring 1996
The Philanthropy Roundtable
PolicyFax #2132403 (3 pp.)

Return of the Nativists
by Stephen Moore
Republican efforts to reduce legal immigration make for bad economics—and bad politics. Legislation proposed by Sen. Alan Simpson, one of the Senate's staunchest immigration foes, would be "an absolute disaster," says Microsoft Corp. chairman Bill Gates. "If you want to prevent companies like ours from doing business in the United States," Gates says, "[Simpson's] bill is a masterpiece."
Article, June 1996
The American Spectator
PolicyFax #1233413 (5 pp.)

Ending Affirmative Action in South Carolina
by Steven Yates, Ph.D.
Two South Carolina bills tempering affirmative action policies would be welcome changes.
Issue Paper, 1995
South Carolina Policy Council
PolicyFax #1200112 (3 pp.)

With Liberty and Justice for All
by Ward Connerly
The chairman of the California Civil Rights Initiative—which would prohibit government agencies from discriminating against anyone on the basis of race, sex, or national origin, or giving anyone preferential treatment for any of those reasons—explains why he is leading the fight to eliminate affirmative action in the Golden State.
Lecture, March 8, 1996
The Heritage Foundation
PolicyFax #1200204 (8 pp.)



The Real McCoy
Tells the story of Elijah McCoy, an important nineteenth century black inventor. "For people of all races who believe in self-help, Elijah was—and still is—an inspiring example."
Article, January 31, 1996
Mackinac Center for Public Policy
PolicyFax #1200111 (1 p.)

Gay Rights

Symposium: Would Legal Recognition of Same-Sex Marriages Be Good for America?
by William N. Eskridge, Jr. and Rep. Bob Barr
Eskridge, a law professor at Georgetown University and author of *The Case for Same-Sex Marriage*, argues that "same-sex marriage is good for gay people and good for America and for the same reason: It civilizes gays and it civilizes America." Representative Barr, a sponsor of the Defense of Marriage Act, disagrees: "Homosexual activists," he writes, "are asking us to 'normalize' abnormal behavior."
Article, June 10, 1996
Insight on the News
PolicyFax #1230102 (4 pp.)

Colorado Gay Rights Amendment
The text and an evenhanded analysis of an amendment to the Colorado Constitution that would "prohibit the state and any of its political subdivisions from adopting or enforcing any law or policy which provides that homosexual, lesbian or bisexual orientation, conduct, or relationships constitutes or entitles a person to claim any minority or protected status, quota preferences, or discrimination."
Legislation
State of Colorado
PolicyFax #1200602 (6 pp.)

The Market versus Politics
by Paul Varnell
The free market is better for gays than are political remedies.
Intellectual Ammunition, May/June 1996
The Heartland Institute
PolicyFax #1230101 (1 p.)

The State of Violent Crime in America

"Americans must search for better, more cost-effective ways of preventing violent crime and protecting themselves and their loved ones from violent and repeat criminals, adult and juvenile. But our first order of business must be restraining known, convicted, violent, and repeat criminals. Restraining violent criminals is a necessary but insufficient condition for meeting America's crime challenges, reforming the justice system, and restoring public trust in the system and in representative democracy itself."

Report, January 1996
The Council on Crime in America
PolicyFax #1300404 (part 1, 6 pp.)
#1300405 (part 2, 7 pp.)
#1300406 (part 3, 14 pp.)
#1300407 (part 4, 9 pp.)
#1300408 (part 5, 15 pp.)
#1300409 (part 6, 9 pp.)
#1300410 (part 7, 12 pp.)
#1300411 (part 8, 10 pp.)

The Movement to Legalize Drugs in the United States: Who's Behind It?

by Dr. Rachel Ehrenfeld

A retired Drug Enforcement Administration official examines the organizations and individuals behind the movement to legalize drugs.

Organization Trends, May 1996
Capital Research Center
PolicyFax #1392406 (7 pp.)

Crime and Punishment in California: Are We Too Tough or Not Tough Enough?

By Steven Hayward and Lance T. Izumi

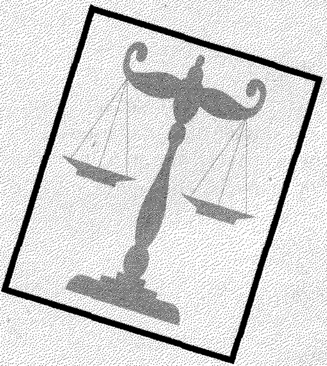
Prison incarceration is a cost-effective strategy for fighting crime. Numerous studies show that the social costs of crime far exceed the cost of incarceration. Further increases in incarceration will save Californians more than $10 billion a year.

Briefing, May 1996
Pacific Research Institute
PolicyFax #1367404 (part 1, 11 pp.)
#1367405 (part 2, 10 pp.)

Automobile Theft Prevention Act

"This Act would establish the Automobile Theft Prevention Authority. The Authority would provide financial support for increased law enforcement and other specified programs to combat automobile theft."

Model Legislation, 1995
American Legislative Exchange Council
PolicyFax #8105607 (2 pp.)



Guns and Public Health

Guns, Germs, and Science: Public Health Approaches to Gun Control

by David B. Kopel

When medical professionals treat gun violence as a "public health" problem, they seem to be stretching the truth. What if criminologists and law professors were to start thinking about communicable disease as a criminal issue, rather than a public health issue, and to propose that "disease is a crime."

Article, June 1995
The Journal of the Medical Association of Georgia
PolicyFax #1328405 (5 pp.)

Firearm Violence and Public Health: Limiting the Availability of Guns

by Karl P. Adler, M.D.,
Jeremiah A. Barondess, M.D.,
Jordan J. Cohen, M.D., et al.

Handgun violence imposes a huge social and economic cost on the country, yet "handguns and assault weapons in the hands of the civilian population serve little purpose. . . . [S]tringent steps must be taken. Ideally, handguns . . . should be banned completely."

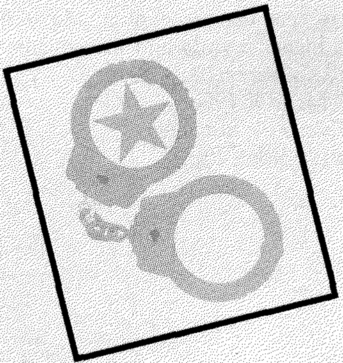
Article, June 1995
The Journal of the Medical Association of Georgia
PolicyFax #1328403 (3 pp.)

On Public Health and Gun Control

by Miguel A. Faria, Jr., M.D.

"Many public health advocates have . . . transmogrified the right to keep and bear arms into a public health issue so that the natural right embodied in the Second Amendment may be . . . circumvented by government fiats."

Article, June 1995
The Journal of the Medical Association of Georgia
PolicyFax #1328402 (2 pp.)



ECONOMIC DEVELOPMENT

Pitching Socialism
by Raymond J. Keating
As the city of New York contemplates spending more than $1 billion for a new domed stadium in midtown Manhattan for the New York Yankees, we must ask ourselves whether doing so makes economic sense. The best research available on the subject, writes the chief economist for the Small Business Survival Committee, suggests that the answer is no.
Article, April 22, 1996
National Review
PolicyFax #1976110 (3 pp.)

Public Financing of Sports Stadiums: How Cincinnati Compares
by David Swindell
Hamilton County, Ohio, is asking taxpayers to approve a sales tax increase to raise funds to subsidize new sports stadiums for the Reds and Bengals. "Ultimately, taxpayers must determine for themselves whether an investment in sports will make life better, or take away from other, potentially more productive, investments in services."
Policy Insight, February 1996
Buckeye Institute for Public Policy Solutions
PolicyFax #1976401 (9 pp.)

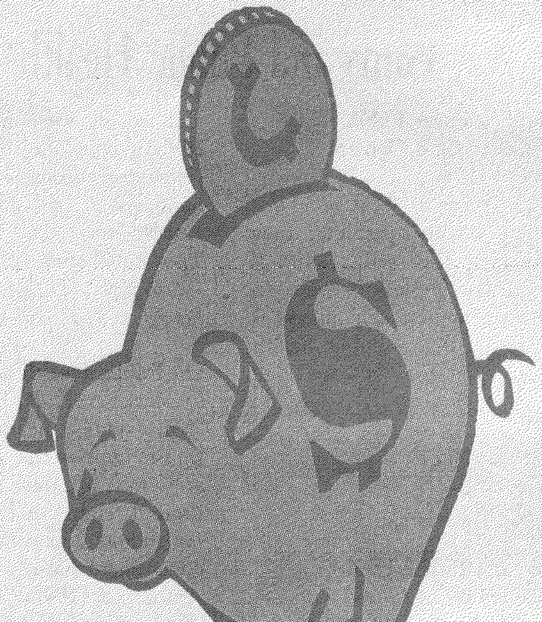
ECONOMY

Legacies
by Virginia I. Postrel
The recent death of David Packard, cofounder of Hewlett-Packard, one of the most influential companies in the history of American business, has gone relatively unnoticed. Yet his innovations—particularly in the field of management—have made the world a noticeably better, and more productive, place.
Article, June 1996
Reason
PolicyFax #9900106 (2 pp.)

Typing Errors
by Stan Liebowitz and Stephen E. Margolis
Critics of the free market often cite the QWERTY keyboard as an example of an inferior product gaining acceptance simply because it was first. But the story appears to be false.
Article, June 1996
Reason
PolicyFax #2034401 (6 pp.)

"Corporate Responsibility" Legislation: A Solution in Search of a Problem
by John E. Berthoud and Philip Peters
Sen. Edward Kennedy has proposed "corporate responsibility legislation" that would give tax and other benefits to "Most Favored Corporations"—businesses that meet compensation, training, and other standards. A better approach for the federal government to take would be to "cut taxes, spending, and regulation; adopt tax policies that foster higher savings and investment; and work to break down barriers to U.S. exports."
Issue Brief, May 15, 1996
Alexis de Tocqueville Institution
PolicyFax #1900406 (9 pp.)

Is There a "Clinton Crunch"?: How the 1993 Budget Plan Affected the Economy
President Clinton's 1993 tax and budget plan will have cost the economy $208 billion in output, cut the number of private jobs created by 1.2 million, and cut growth in Americans' real personal disposable income by $264 billion in today's dollars between 1993 and 1996.
Backgrounder, May 1, 1996
The Heritage Foundation
PolicyFax #0808404 (part 1, 9 pp.)
#0808405 (part 2, 14 pp.)



EDUCATION

The Fiscal Impact of the NEA's Legislative Agenda

by John E. Berthoud, Ph.D.

The vice president of the Alexis de Tocqueville Institution argues that if the proposals advanced by the National Education Association were adopted, federal spending would increase by $702 billion per year, resulting in a new tax burden of $10,554 per year for a family of four.

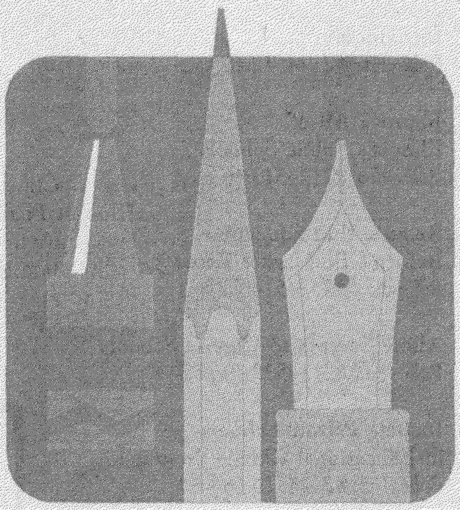
Study, March 4, 1996
Alexis de Tocqueville Institution
PolicyFax #2180411 (part 1, 8 pp.)
#2180412 (part 2, 10 pp.)
#2180413 (part 3, 15 pp.)

An Analysis of NEA-PAC Contributions to House Races

by John E. Berthoud, Ph.D.

This study examines National Education Association contributions to congressional candidates. By studying the candidates the NEA supports, we can get a glimpse of the NEA's ideal government.

Issue Brief, May 1, 1996
Alexis de Tocqueville Institution
PolicyFax #2180414 (8 pp.)



Iowa's Privileged Class—Government Employees in Iowa Education

The wages and salaries of public education employees in Iowa are higher than those of private education employees in the state. This paper includes a detailed analysis of the figures for all fifty states and the District of Columbia.

Institute Brief, May 1996
Public Interest Institute
PolicyFax #1265302 (2 pp.)

Report Card on American Education: 1995

The American Legislative Exchange Council has prepared a thirty-page guide analyzing the state of American education. The document features a state-by-state analysis of key data, such as college entrance examination scores, graduation rates, teacher salaries, and much more.

Analysis, May 1996
American Legislative Exchange Council
PolicyFax #2105301 (part 1, 7 pp.)
#2105302 (part 2, 9 pp.)
#2105303 (part 3, 11 pp.)
#2105304 (conclusion, 10 pp.)

Contracting Can Save Ohio Public Schools Millions

by Sam Staley

Ohio could save more than $180 million if it contracted out for school services.

Perspective, May 8, 1996
Buckeye Institute for Public Policy Solutions
PolicyFax #2166105 (3 pp.)

Charter Schools: A Reality Check

Five myths and facts about charter schools. *Myth*: Charter schools will attract only the best students. *Fact*: Most incoming charter school students were average or below average.

Talking Points, 1996
Pioneer Institute for Public Policy Research
PolicyFax #2111103 (2 pp.)

What Would a School Voucher Buy? The Real Cost of Private Schools

by David Boaz and R. Morris Barrett

Many people believe that a $3,000 school voucher could not possibly cover the tuition at a private school. This Cato Institute study shows that, in fact, the average tuition for all private schools is $3,116—less than half of the cost per pupil in the average public school.

Briefing Paper, March 26, 1996
Cato Institute
PolicyFax #2165406 (13 pp.)
#2165407 (13 pp.)

Colorado School Voucher Amendment

The text and an analysis of an amendment to the Colorado Constitution "requiring that all state moneys appropriated for the general support of kindergarten, elementary, and secondary education be apportioned among Colorado students in the form of vouchers."

Legislation
State of Colorado
PolicyFax #2184605 (5 pp.)

Bilingual Education in Massachusetts: The Emperor Has No Clothes

by Christine H. Rossell and Keith Baker

Massachusetts is one of only nine states in the country to require bilingual education in all school districts where there is a sufficient number of limited-English-proficient (LEP) students. This report from the Pioneer Institute suggests ways in which Massachusetts's bilingual education programs can be reformed: "These programs should be fully integrated into regular schools so that students are exposed to English speakers on the playground, in the cafeterias, the halls, assemblies, and other areas before, during, and after school."

Report, 1996
Pioneer Institute for Public Policy Research
PolicyFax #2113301
(introduction and summary, 8 pp.)

Symposium: Is Bilingual Education Failing to Help America's Schoolchildren?

By Linda Chavez and James J. Lyons

Does bilingual education help or hurt minority schoolchildren? Linda Chavez, president of the Center for Equal Opportunity and former director of the U.S. Commission on Civil Rights, argues that "the best policy for children—and for the country—is to teach English to immigrant and nonimmigrant children as quickly as possible." James J. Lyons, executive director of the National Association for Bilingual

Education
continued on page 9

EDUCATION

The Heartland Report on School Finance Reform for Illinois

featured Organization

The Heartland Institute released in May a two-volume report on Illinois school finance reform. Written by Joseph L. Bast, Herbert J. Walberg, Ph.D., and Robert J. Genetski, Ph.D., in response to the "Report of the Governor's Commission on Education Funding for the State of Illinois" (available through PolicyFax *as documents #2124405 and #2124406), this substantial document proposes alternative principles for reforming public school finance in Illinois. The entire document is available through* PolicyFax *in the following parts, or by mail by calling* The Heartland Institute at 847/202-3060.

PART ONE: A REPLY TO THE GOVERNOR'S COMMISSION ON EDUCATION FUNDING

Contents, Background, and Introduction
PolicyFax #2124501 (6 pp.)

Why Do Public Schools Fail?
PolicyFax #2124502 (part 1, 12 pp.)
#2124503 (part 2, 11 pp.)

Spending Levels
PolicyFax #2124504 (15 pp.)

The Illusion of Tax Relief
PolicyFax #2124505 (18 pp.)

Spending Variation and Local Control
PolicyFax #2124506 (13 pp.)

Block Grants
PolicyFax #2124507 (7 pp.)

Make No Small Plans
PolicyFax #2124508 (7 pp.)

The Case against a Tax Swap, Summarized
PolicyFax #2124509 (8 pp.)

The Commission's Constitutional Amendment
PolicyFax #2124510 (6 pp.)

Conclusion, Acknowledgments, and Endnotes
PolicyFax #2124511 (17 pp.)

PART TWO: ALTERNATIVE PRINCIPLES FOR SCHOOL FINANCE REFORM

Introduction
PolicyFax #2124512 (6 pp.)

Improve All of Illinois's Public Schools
PolicyFax #2124513 (6 pp.)

Require that Education Reforms Be Market Based
PolicyFax #2124514 (8 pp.)

Allow Parents to Choose Schools
PolicyFax #2124515 (9 pp.)

Include Private Schools in Educational Choice Programs
PolicyFax #2124516 (6 pp.)

Create a System of Curriculum-Based Examinations
PolicyFax #2124517 (8 pp.)

Use Competition to Reduce Spending
PolicyFax #2124518 (7 pp.)

The Heartland Plan
PolicyFax #2124519 (11 pp.)

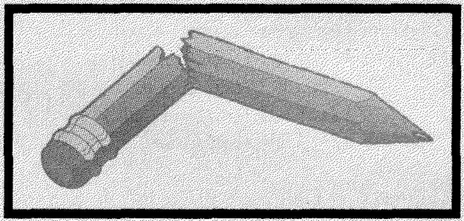
Amend the Illinois Constitution
PolicyFax #2124520 (5 pp.)

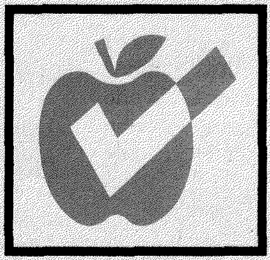
Conclusion
PolicyFax #2124521 (4 pp.)

Appendix A: The Condition of Education
PolicyFax #2124522 (14 pp.)

Appendix B: Is Educational Choice the Answer?
PolicyFax #2124523 (12 pp.)

Acknowledgments and Endnotes
PolicyFax #2124524 (12 pp.)





Education
continued from page 7

Education, counters that bilingual programs are a godsend to children who do not speak English at home and cannot keep up with the pace of English instruction in schools.
Article, June 3, 1996
Insight on the News
PolicyFax #2113107 (4 pp.)

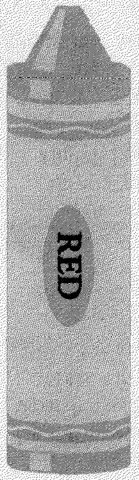
Education Vital to Economic Growth
by Brandon T. Dutcher
Economic growth in Oklahoma depends upon dramatic improvements in the state's educational system.
Commentary, January 15, 1996
Oklahoma Council of Public Affairs
PolicyFax #2119101 (3 pp.)

User Fees in Education: Philosophical, Moral, and Public Finance Issues and the Case for Privatization
by Robert W. McGee
This paper explores the possibility of funding education without government and attempts to answer such questions as: How would education be funded if government didn't do it? How would a privately funded education system provide for those who couldn't pay?
Essay, August 1995
The Dumont Institute for Public Policy Research
PolicyFax #2172201 (12 pp.)

Class Size and Student Achievement: Is There a Link?
by Jeffry Flake, Eric VonDohlen, and Mary Gifford
The enormous costs associated with mandating low student-teacher ratios are not justified by the few benefits.
Issue Analysis, 1995
Goldwater Institute
PolicyFax #2176403 (part 1, 13 pp.)
#2176407 (part 2, 10 pp.)

What Florida's University Graduates Don't Know about History and Government
by Thomas R. Dye
A recent survey conducted by Survey Research Laboratory at the University of Florida reveals disappointing results about Florida's graduating university seniors' knowledge of history and government. While 67.6 percent knew that Thomas Jefferson wrote the Declaration of Independence, only 10.2 percent knew that Abraham Lincoln defined American democracy as "a government of the people, by the people, for the people."
Survey, March 1996
The James Madison Institute
PolicyFax #2132404 (5 pp.)

The National Assessment of Education Progress found that 94 percent of high school seniors surveyed were unable to solve multi-step math problems or use basic algebra. More than one-fourth could not add and subtract. Only 27 percent could write a simple letter. **Citizens for a Sound Economy, November 3, 1995.**



Education
continued on page 10

Myths and Facts about School Choice

Featured Organization

The Pennsylvania-based REACH Alliance has published a series of fact sheets on educational choice titled "Facts about School Choice." Each paper answers commonly held objections to school choice issues. The papers were written by David Kirkpatrick, formerly executive director of the REACH Alliance and now an independent public policy consultant. To reach Kirkpatrick, call 717/232-2146.

Myth: "School Choice Costs Too Much"
Facts about School Choice, 1995
PolicyFax #2184306 (2 pp.)

Myth: "The Funding Proposed for School Choice Would Amount to 'Spending Public Money on Private Schools'"
Facts about School Choice, 1995
PolicyFax #2184309 (2 pp.)

Myth: "School Choice Would Bring About the Regulation of Non-Public Schools"
Facts about School Choice, 1995
PolicyFax #2184308 (2 pp.)

Myth: "School Choice Would Permit Good Schools to 'Cream the Best Students' and Leave the Rest Behind"
Facts about School Choice, 1995
PolicyFax #2184307 (2 pp.)

Myth: "The Choice of Paying for Non-Public School Enrollment Is More than We Can Afford"
Facts about School Choice, 1995
PolicyFax #2184305 (2 pp.)

Myth: "Educational Choice Is Unfair because the Non-Public Schools Do Not Provide Services for All 'Special Education' Students"
Facts about School Choice, 1995
PolicyFax #2184304 (2 pp.)

Myth: "School Choice Is Unconstitutional"
Facts about School Choice, 1995
PolicyFax #2184311 (2 pp.)

Myth: "School Choice Would Not Work in the Rural Areas of Pennsylvania"
Facts about School Choice, 1995
PolicyFax #2184310 (2 pp.)

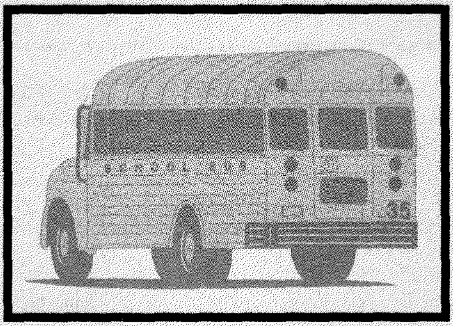
Myth: "Public School Costs vs. Public School Performance"
Facts about School Choice, 1995
PolicyFax #2184312 (2 pp.)

EDUCATION

Education
continued from page 9

Should We "Shogunize" the Schools?
By Ken Schoolland
Some reformers uphold the Japanese education system as a model for the United States. But those reformers don't understand the full story. The Japanese education system encourages order and discipline that borders on brutality.
The Education Liberator, May 1996
Separation of School and State Alliance
PolicyFax #2136101 (3 pp.)

Why South Carolina Should Drop Out of Goals 2000
by Sheldon Richman
"For the sake of the children, the state of South Carolina should end its participation in Goals 2000. Refusal of the federal money and the attached conditions would be a dramatic first step in reversing the centralization that has gravely eroded American education and harmed the children."
Issue Paper, March 1996
South Carolina Policy Council
PolicyFax #2113405 (15 pp.)



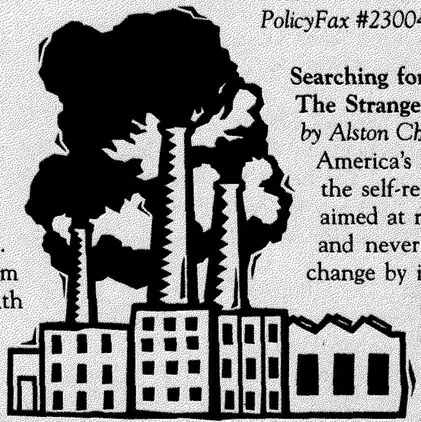
Spending and Student Performance
by Brandon T. Dutcher
Better performance from Oklahoma's schools is crucial for the state's future economic growth. But increased spending for the current government-run system is demonstrably not the way to improve performance.
Policy Analysis, February 1996
Oklahoma Council of Public Affairs
PolicyFax #2119401 (part 1, 11 pp.)
#2119402 (part 2, 11 pp.)

ENVIRONMENT

Sick of It All
by Michael Fumento
Sufferers of multiple chemical sensitivity, or MCS, become ill upon the slightest exposure to chemicals, electromagnetic fields, and other side effects of twentieth-century society. But "are MCS sufferers really sick? Or is what has been called 'the ultimate twentieth-century illness' really one of the great hoaxes of the twentieth century? Could it be both?"
Article, June 1996
Reason
PolicyFax #2315412 (6 pp.)

The Facts about Packaging
Interesting facts about packaging, "the invisible key to our modern society and an integral part of the world's most efficient distribution system."
Factoids, August 1994
Council on Packaging in the Environment
PolicyFax #2377307 (4 pp.)

Packaging in the '90s
by Hannah Holmes and Patricia Poore
Some packaging is indeed bad for the environment, "but most packaging is both necessary and efficient, the result of years of improvements. Packaging fulfills many functions, most of them with as great or greater an impact on public health as environmental concerns have. . . . Although it uses resources and ultimately becomes part of the waste stream, packaging can actually prevent greater waste elsewhere."
Article, December/January 1993
Garbage
PolicyFax #2377412 (7 pp.)



Evolutionary Ecology: A New Environmental Vision
by Lynn Scarlett
America needs an environmental policy that recognizes that centralized top-down rule-making is ill-suited to a complex and dynamic world. "What is needed is a fundamental shift away from an [environmental] approach that is primarily regulatory and punitive to one that emphasizes bargaining, improvement in information flows, and incentives for stewardship."
Article, May 1996
Reason
PolicyFax #2300406 (7 pp.)

Searching for a Past that Never Was:
The Strange Story of Ecosystem Preservation
by Alston Chase
America's preservation policies are based on the flawed idea of the self-regulating ecosystem. As a result, the policies "are . . . aimed at restoring and preserving conditions that never existed and never could exist. By seeking to do the impossible—stop change by insulating biological systems from human influence—they are actually achieving the exact opposite

Environment
continued on page 11

Environment
continued from page 10

result—bringing about alterations to the landscape that imperil countless creatures."
Chronicles, June 1996
Rockford Institute
PolicyFax #2368409 (5 pp.)

Property Frights: Why Property Rights Initiatives Are Losing at the Polls
by Ed Carson

The property rights movement has enjoyed many successes, but as last year's experience with Washington State's failed Referendum 48 demonstrates, the movement has yet to prove that it can win at the ballot box—"that they can convince the broad majority of citizens that protecting property rights—and compensating people for their losses—is a matter of good government and simple justice."
Article, May 1996
Reason
PolicyFax #2366415 (5 pp.)

Selling Air Pollution: The Politics Go in before the Market Goes On
by Brian Doherty

"Whatever the future of emissions trading, pollution-rights markets can't work exactly like real markets. They *are* delivering at least some of the economists' dreams of cost-saving efficiencies. But the nature of air pollution makes it hard for each of us to choose in a market how much clean air is worth to us."
Article, May 1996
Reason
PolicyFax #2303413 (7 pp.)

The Big Green Bazaar
by William Fulton

The idea of using market-oriented approaches to solve environmental problems is rapidly being embraced by officials at all levels of government—especially state government—as a means of providing maximum environmental protection at minimal cost. Incentives are created for profit-seekers to make money by reducing pollution.
Governing, June 1996
National Conference
of State Legislatures
PolicyFax #2317404 (5 pp.)

An Unscientific Fairy Tale
by Joseph L. Bast

The president of The Heartland Institute and coauthor of *Eco-Sanity: A Common-Sense Guide to Environmentalism* reviews *Our Stolen Future*, a new book arguing that chemicals are causing a decline in fertility levels. The book, Bast writes, "will surely disappoint readers hungry for objective research and responsible advocacy on the complicated matter of synthetic chemicals in the environment. And it will go down in history's book catalog as just one more in a long line of books that frightened rather than informed the general public."
Book Review, April 18, 1996
The Heartland Institute
PolicyFax #2315202 (7 pp.)

Scientists Contradict Findings of *Our Stolen Future*

Ten noted scientists have issued statements regarding the scientific merit of *Our Stolen Future*, a recent book arguing that synthetic chemicals cause long-term health damage to humans. The book "is a work of advocacy, not science," writes one scientist.
The Catalyst, Winter 1996
The Advancement of
Sound Science Coalition
PolicyFax #2315119 (3 pp.)

How to Dismantle the Interior Department
by Robert H. Nelson

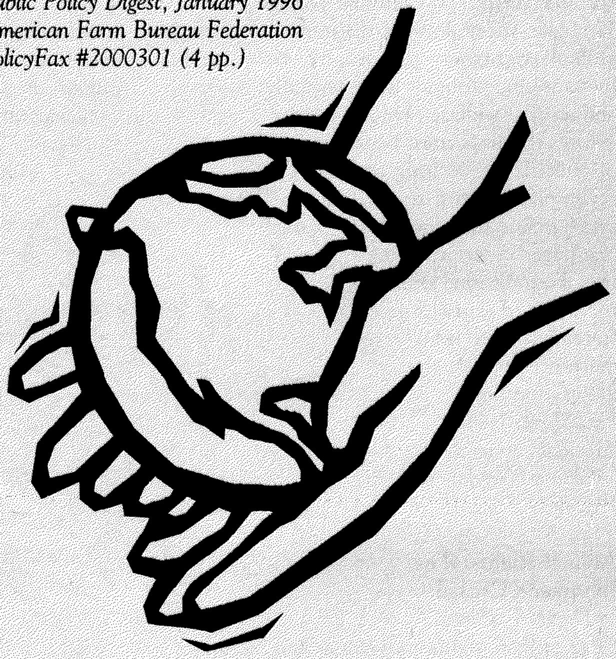
If the federal government is serious about reinventing itself, it ought to radically restructure the U.S. Department of the Interior.
Analysis, June 1995
Competitive Enterprise Institute
PolicyFax #2316410 (13 pp.)

Irradiated Foods
by Richard A. Greenberg

Food irradiation—the treatment of foods by subjecting them to ionizing radiation—"could bring many benefits to consumers in the United States. Its introduction will increase the variety of techniques that can be used to provide a safe, wholesome and convenient food supply. Other benefits include decreased spoilage of fresh fruits and vegetables and the killing of harmful organisms . . . in chicken and parasites . . . in pork."
Analysis, 1996
American Council on
Science and Health
PolicyFax #0400414 (15 pp.)

World Economic Outlook and Outlook for U.S. Agricultural Exports-1996

A report from the American Farm Bureau Federation outlining the 1996 outlook for world food production, as well as the outlook for U.S. agricultural exports.
Public Policy Digest, January 1996
American Farm Bureau Federation
PolicyFax #2000301 (4 pp.)



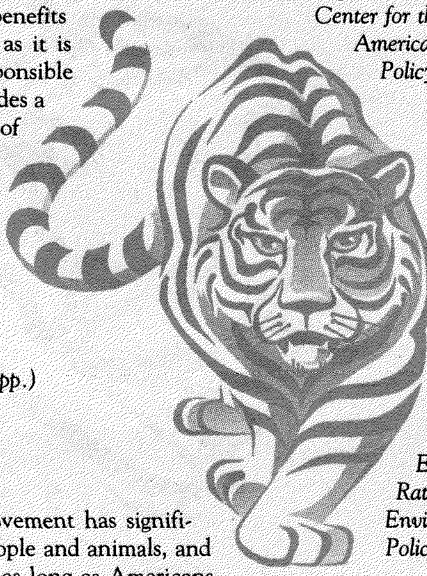
ENVIRONMENT

Animal Rights

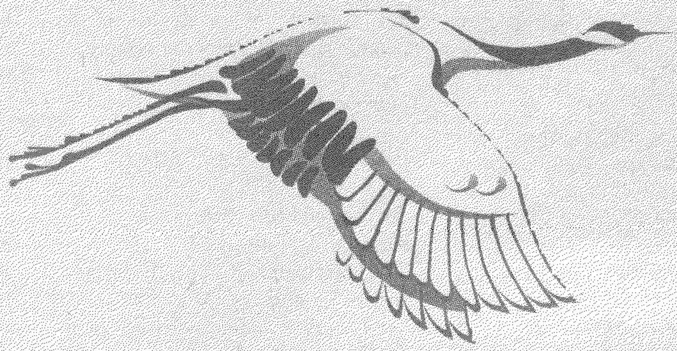
Take a Step toward Compassionate Living
A brochure from PETA outlining the case for animal rights.
Brochure
People for the Ethical Treatment of Animals
PolicyFax #2302104 (8 pp.)

Animal Rights . . . In the Words of Its Leaders
"The life of an ant and the life of my child should be granted equal consideration," says Michael Fox, vice president of the Humane Society of the United States. The American Animal Welfare Foundation has compiled a collection of similarly surprising remarks made by animal rights leaders.
Fact Sheet, 1996
American Animal Welfare Foundation
PolicyFax #2302103 (6 pp.)

Two Views of Animal Use: Animal Welfare vs. Animal Rights
This fact sheet draws a distinction between animal rights—a philosophy that holds humans and animals as essentially equal—and animal welfare, which recognizes the important benefits of animal use, so long as it is accomplished in a responsible and humane way. Includes a one-page description of the Foundation that includes a mission statement and information about the group's funding.
Fact Sheet, 1996
American Animal Welfare Foundation
PolicyFax #2302102 (2 pp.)



Animal Rights: The Inhumane Crusade
by Daniel T. Oliver
"The animal rights movement has significantly harmed both people and animals, and will continue to do so as long as Americans fail to understand its actual agenda and continue to support it financially."
Organization Trends, 1993
Capital Research Center
PolicyFax #2302301 (8 pp.)



Health

The Turf Fight for Indoor Air Quality Protection
by Dwight R. Lee
The Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA) are engaged in a bureaucratic turf war over indoor air quality. The result of this war is likely to be "costly regulations on tobacco smoke that divert attention from the major sources of indoor air quality problems."
Contemporary Issues, May 1996
Center for the Study of American Business
PolicyFax #2303415 (10 pp.)

Environmental Pollution and Cancer: Some Misconceptions
by Bruce N. Ames, Ph.D. and Lois Swirsky Gold, Ph.D.
Two experts on pollution and its potentially cancerous effects on humans examine eight misconceptions about man-made and natural risks.
Excerpt, 1992
Rational Readings on Environmental Concerns
PolicyFax #2312402 (17 pp.)

Pesticides: Helpful or Harmful?
By Leonard T. Flynn, Ph.D.
Environmentalists criticize pesticides because they "alter the balance of nature." The criticism is true, but the alteration represents an improvement.
Excerpt, 1992
Rational Readings on Environmental Concerns
PolicyFax #2364403 (11 pp.)

Electromagnetic Fields and VDT-itis
by Petr Beckmann, Ph.D.
"Millions of Americans now spend considerable time near computer video display terminals (VDTs), and the resulting risk of cancer, nervous disorders, miscarriages, and minor afflictions such as persistent headaches has never been refuted. But neither has this risk ever been demonstrated."
Excerpt, 1992
Rational Readings on Environmental Concerns
PolicyFax #2320402 (10 pp.)

Title V of the Clean Air Act: Will America's Industrial Future Be Permitted?
by Ben Lieberman
Title V of the Clean Air Act imposes hundreds of millions of dollars in costs on industry, and has produced little in the way of benefits.
Policy Study, July 1995
Competitive Enterprise Institute
PolicyFax #2303409 (part 1, 10 pp.)
#2303414 (part 2, 10 pp.)

Health Risk Reporting: Getting the Story Straight
by Courtney LaFountain
People tend to overestimate small risks—such as airplane crashes—and underestimate larger risks—such as automobile crashes. Journalists, too, are guilty of this fault, and often warn of the dangers of minuscule risk while advocating alternative behaviors that are, in fact, even riskier.
Contemporary Issues Series, May 1996
Center for the Study of American Business
PolicyFax #2313409 (15 pp.)

Environment
continued on page 13

ENVIRONMENT

Environment
continued from page 12

Another Energy Crisis? Yeah, Right
Gas prices may have risen recently, but this is not a sign of another "energy crisis" such as the one experienced in the 1970s. Past price increases were caused by wrongheaded government policies.
Research Reports, May 6, 1996
American Institute for Economic Research
PolicyFax #2322114 (3 pp.)

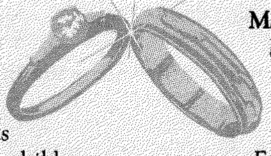
Petroleum Industry Environmental Performance: Fourth Annual Report
The petroleum industry's environmental, health, and safety record in the United States continues to improve, says the latest annual report from the American Petroleum Institute.
Annual Report, May 1996
American Petroleum Institute
PolicyFax #2360301 (executive summary, 9 pp.)

Recycling and the American Automobile
When people think of recycling, aluminum cans, newspapers, or glass typically come to mind. Yet the automobile is the number-one recycled product currently on the market in North America, says a new summary from the American Automobile Manufacturers Association.
Summary, May 1996
American Automobile Manufacturers Association
PolicyFax #2377124 (11 pp.)

Radical U.N. Habitat Agenda Congested with Big City Hype
by David Rothbard and Craig Rucker
Analyzes the United Nations's Istanbul Declaration, which is based on the notion "that around the world, the growth of cities is racing out of control and devastating everyone and everything in its path. Specifically, the Istanbul Declaration states that 'rapid urbanization' is among 'the most significant transformations of human settlement,' and that 'increased poverty,' 'harmful patterns' of land use, soil, water, and air pollution, and an 'irreversible loss of biodiversity' are the terrible results."
Citizen Outlook, May/June 1996
Committee for a Constructive Tomorrow
PolicyFax #2365104 (3 pp.)

FAMILY

Rethinking Divorce
by William A. Galston
A professor of political philosophy and former advisor to President Clinton calls for reform of America's divorce laws. Galston recommends a two-tier process that restricts access to "no-fault" divorces to only those families without children.
Essay, April 1996
Center of the American Experiment
PolicyFax #2405401 (9 pp.)



Marriage in Civil Society
by Jean Bethke Elshtain
The decline in the importance of marriage may be largely responsible for a breakdown in community—or "civil society" in America.
Family Affairs, Spring 1996
Institute for American Values
PolicyFax #2400119 (5 pp.)

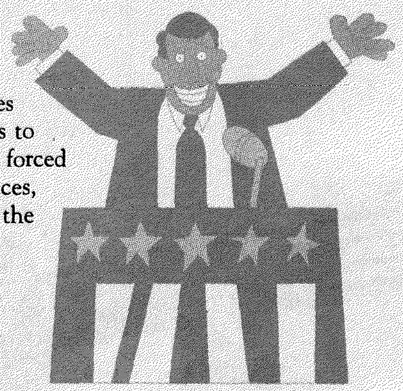
GOVERNING

Perpetual Incumbency: A Case Study of the Odds against Congressional Challengers
by Ron Nehring
Opponents of term limits often cite the 1994 congressional elections as proof that term limits aren't necessary. Nevertheless, in the last congressional elections 92 percent of Senators and 90 percent of House members seeking reelection were returned to office.
Outlook, March 1996
U.S. Term Limits
PolicyFax #2880406 (part 1, 15 pp.)
#2880407 (part 2, 8 pp.)

The Changing Legislature: Term Limits and the Oregon Experience
by Tom Holt
In 1992 Oregon voters overwhelmingly approved one of the nation's toughest term limit laws for their state legislators. The limits won't force anyone from office until 1998, but there are already indications that term limits are changing the state's political culture. Legislators are becoming increasingly agenda-oriented, resulting in more frequent and quicker votes on policy changes, less reliance on the seniority system, and a keener sense of public service.
Outlook, April 1996
U.S. Term Limits
PolicyFax #2880408 (15 pp.)

Uncompromising Position: Is "Libertarian Politics" an Oxymoron?
by Nick Gillespie
An investment advisor and author of *Why Government Doesn't Work*, Harry Browne is the 1996 Libertarian Party presidential nominee. This article analyzes Browne's campaigns and some of the tensions inherent in libertarian thought.
Article, July 1996
Reason
PolicyFax #2814404 (6 pp.)

Unintended Consequences: How Government Policies Hurt Oregon's Poor
by Martin L. Buchanan
Government policies are like Berlin Walls, unfortunately and unintentionally hurting the poor. To escape poverty, a family or individual must surmount such obstacles as taxes on the working poor, barriers to employment and enterprise, forced purchases of certain services, and higher prices paid by the poor.
Fiscal Insight, May 1996
Cascade Policy Institute
PolicyFax #9200409 (11 pp.)



Iowa's Privileged Class— State Government Employees
Private-sector employees in Iowa are paid just 81.86 percent of the national private-sector average, while Iowa public-sector employees earn on average 147.13 percent of that state's average private-sector salary. This document includes corresponding figures for every other state.
Institute Brief, May 1996
Public Interest Institute
PolicyFax #1265301 (2 pp.)

ISSUES '96: The Candidate's Briefing Book

featured Organization

The Heritage Foundation has just released a comprehensive campaign guide that addresses a vast range of public policy issues. At 569 pages, this book is an indispensable reference guide not only for candidates for elected office, but also for public policy researchers and interested observers. The full text of part one, which concerns domestic policy issues, is available through PolicyFax *as the following documents. (Part two concerns foreign policy issues and may be obtained from The Heritage Foundation by calling 202/546-4400.)*

INTRODUCTION

PolicyFax #9900501 (6 pp.)

CHAPTER ONE: BUDGET

The Issues
PolicyFax #0800501 (13 pp.)

The Record: On Balancing the Budget
PolicyFax #0800502 (17 pp.)

The Record: The Budget Process
PolicyFax #0800503 (3 pp.)

What to Do in 1997
PolicyFax #0800504 (10 pp.)

Questions and Answers
PolicyFax #0800505 (5 pp.)

CHAPTER TWO: AMERICA'S TAX SYSTEM

The Issues/The Facts
PolicyFax #8000515 (10 pp.)

The Record
PolicyFax #8000516 (12 pp.)

ISSUES '96
continued on page 15

ISSUES '96: The Candidate's Briefing Book

What to Do in 1997
PolicyFax #8000517 (5 pp.)

Questions and Answers
PolicyFax #8000518 (8 pp.)

CHAPTER 3: REGULATION

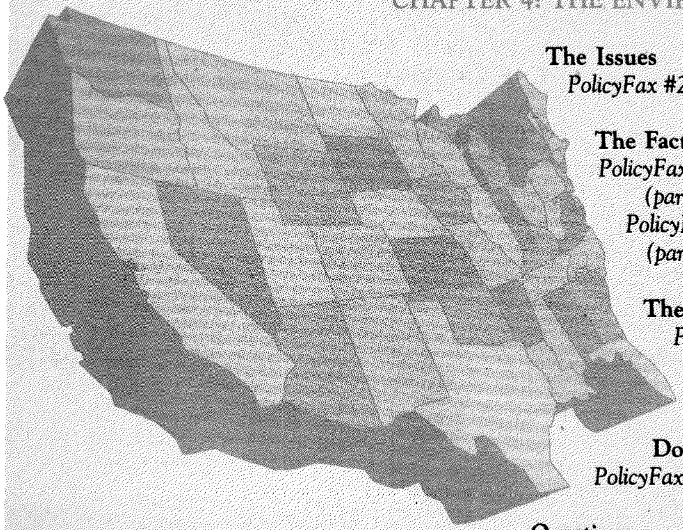
The Issues/The Facts
PolicyFax #7200501 (14 pp.)

The Record
PolicyFax #7200502 (6 pp.)

What to Do in 1997
PolicyFax #7200503 (4 pp.)

Questions and Answers
PolicyFax #7200504 (3 pp.)

CHAPTER 4: THE ENVIRONMENT



The Issues
PolicyFax #2300501 (2 pp.)

The Facts
PolicyFax #2300502
(part 1, 14 pp.)
PolicyFax #2300503
(part 2, 6 pp.)

The Record
PolicyFax #2300504
(4 pp.)

What to Do in 1997
PolicyFax #2300505 (3 pp.)

Questions and Answers
PolicyFax #2300506 (4 pp.)

CHAPTER 5: LABOR, EMPLOYMENT, AND WAGES

The Issues/The Facts
PolicyFax #2200501 (15 pp.)

The Record
PolicyFax #2200502 (5 pp.)

What to Do in 1997
PolicyFax #2200503 (5 pp.)

Questions and Answers
PolicyFax #2200504 (3 pp.)

CHAPTER 6: SOCIAL BREAKDOWN IN AMERICA

The Issues
PolicyFax #2400501 (2 pp.)

The Facts
PolicyFax #2400502 (part 1, 13 pp.)
#2400503 (part 2, 11 pp.)

The Record
PolicyFax #2400504 (3 pp.)

What to Do in 1997
PolicyFax #2400505 (7 pp.)

Questions and Answers
PolicyFax #2400506 (3 pp.)

CHAPTER 7: WELFARE REFORM

The Issues/The Facts
PolicyFax #9200501 (15 pp.)

The Record
PolicyFax #9200502 (3 pp.)

What to Do in 1997
PolicyFax #9200503 (8 pp.)

Questions and Answers
PolicyFax #9200504 (6 pp.)

CHAPTER 8: CRIME

The Issues/The Facts
PolicyFax #1300501 (part 1, 14 pp.)
#1300502 (part 2, 7 pp.)

The Record
PolicyFax #1300503 (4 pp.)

What to Do in 1997
PolicyFax #1300504 (8 pp.)

Questions and Answers
PolicyFax #1300505 (3 pp.)

ISSUES '96
continued on page 16

ISSUES '96: The Candidate's Briefing Book

CHAPTER 9: EDUCATION

The Issues/The Facts
PolicyFax #2100501 (part 1, 12 pp.)
#2100502 (part 2, 13 pp.)

The Record
PolicyFax #2100503 (7 pp.)

What to Do in 1997
PolicyFax #2100504 (4 pp.)

Questions and Answers
PolicyFax #2100505 (3 pp.)

CHAPTER 10: HEALTH CARE

The Issues
PolicyFax #3200501 (2 pp.)

The Facts
PolicyFax #3200502 (part 1, 11 pp.)
#3200503 (part 2, 9 pp.)

The Record
PolicyFax #3200504 (6 pp.)

What to Do in 1997
PolicyFax #3200505 (6 pp.)

Questions and Answers
PolicyFax #3200506 (6 pp.)

CHAPTER 11: IMMIGRATION

The Issues
PolicyFax #1233501 (2 pp.)

The Facts
PolicyFax #1233502 (14 pp.)

The Record
PolicyFax #1233503 (6 pp.)

What to Do in 1997
PolicyFax #1233504 (3 pp.)

Questions and Answers
PolicyFax #1233505 (3 pp.)

CHAPTER 12: CONGRESSIONAL AND EXECUTIVE BRANCH REFORM

The Issues/The Facts
PolicyFax #2800501 (9 pp.)

The Record
PolicyFax #2800502 (4 pp.)

What to Do in 1997
PolicyFax #2800503 (4 pp.)

Questions and Answers
PolicyFax #2800504 (3 pp.)

CHAPTER 13: FEDERAL RACE AND SEX-BASED PREFERENCES

The Issues/The Facts
PolicyFax #1200501 (part 1, 13 pp.)
#1200502 (part 2, 11 pp.)

The Record
PolicyFax #1200503 (6 pp.)

What to Do in 1997
PolicyFax #1200504 (2 pp.)

Questions and Answers
PolicyFax #1200505 (4 pp.)

CHAPTER 14: FEDERALISM

The Issues/The Facts
PolicyFax #0865501 (16 pp.)

The Record
PolicyFax #0865502 (2 pp.)

What to Do in 1997
PolicyFax #0865503 (9 pp.)

Questions and Answers
PolicyFax #0865504 (15 pp.)

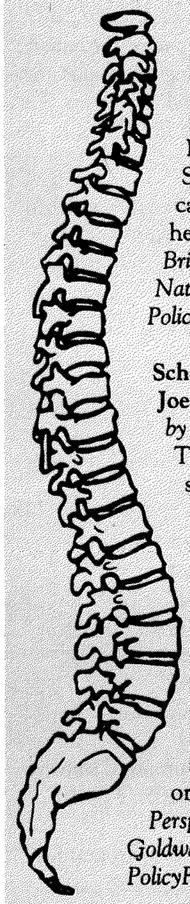
HEALTH CARE

Medical Savings Accounts: The Singapore Experience

by Thomas A. Massaro, M.D., Ph.D., and Yu-Ning Wong

Singapore has enjoyed great success with its medical savings accounts program. "The fact that people are spending their own money rather than that of a third-party insurer has helped to curtail Singapore's health care costs, which are about 3.1 percent of gross domestic product. Even with these low expenditures, the income of Singapore doctors is about the same in relation to average wages as physician income in the United States, and patients have easy access to such technology as CAT scans, organ transplants, and bypass surgery."

Policy Report, April 1996
National Center for Policy Analysis
PolicyFax #3253413 (part 1, 14 pp.)
#3253414 (part 2, 7 pp.)



Misplaced Criticism of MSAs

by Merrill Matthews, Jr., Ph.D.

"Medical savings accounts have become the most controversial element of the health insurance reform proposal before Congress. They *should* be the least controversial. . . . Once people understand MSAs, they realize that tax-free Medical Savings Accounts would reduce health care costs and expand choices in the health care marketplace."

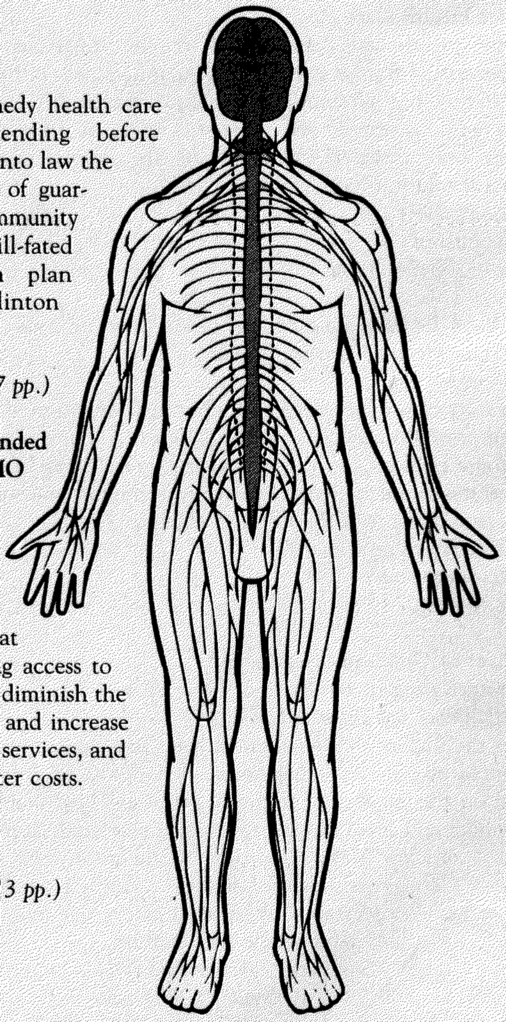
Brief Analysis, May 6, 1996
National Center for Policy Analysis
PolicyFax #3253309 (2 pp.)

School-Based Health Care: Joe Camel's Nose under the Tent

by Jeffry Flake and Mary Gifford

The Arizona legislature is currently considering the "Children First Fund," a program that would be funded by tobacco tax dollars and use Arizona's schools as a vehicle to provide health care coverage to children. The program is being advertised as "a low cost private sector health care plan"—a description that should ring alarm bells for those who question the government's ability to deliver anything "low cost" or relating to the "private sector."

Perspective, April 2, 1996
Goldwater Institute
PolicyFax #3272125 (2 pp.)



Wrong Prescription for What Ails Us

by Conrad F. Meier

The Kassebaum-Kennedy health care reform proposal pending before Congress will "enact into law the same flawed theories of guaranteed issue and community rating found in the ill-fated health care reform plan devised by the Clinton administration."

Essay, April 1, 1996
PolicyFax #3236407 (7 pp.)

Intended and Unintended Consequences of HMO Cost-Containment Strategies: Results from the Managed Care Outcomes Project

Health care plans that cut costs by restricting access to prescription medicine diminish the quality of health care and increase the use of health care services, and therefore lead to greater costs.

Study, 1996
Institute for Clinical Outcomes Research
PolicyFax #3252301 (13 pp.)

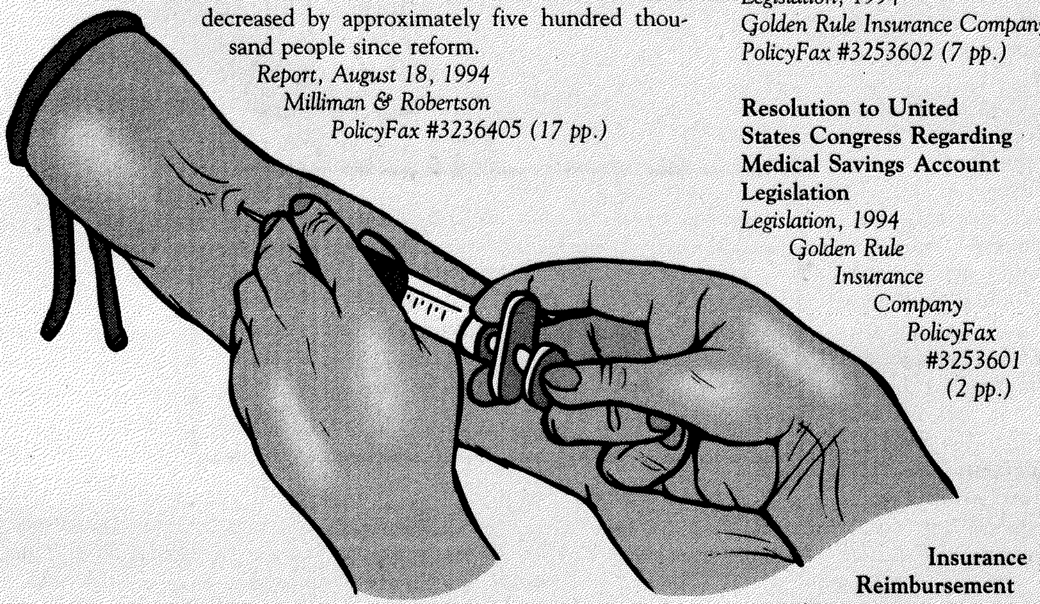
A twenty-year-old who placed $1,800 per year in a Medical Savings Account (the actual deposit amount for employees of Jersey City, N.J.), spent on average $1,000 a year over his working life and earned 8 percent interest on the remaining deposit, would have $5,068 after five years and $333,941 at retirement. **National Center for Policy Analysis, May 6, 1996.**

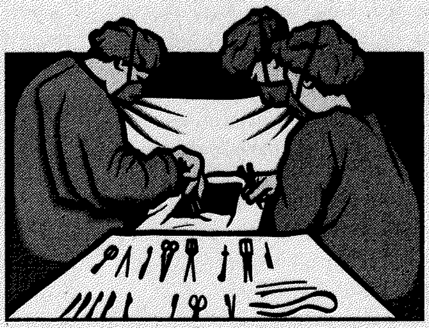
HEALTH CARE

The Quiet Health Care Revolution
"While the health care debate rages on, the American public has already benefitted from a massive, albeit unheralded, entrepreneurial revolution that has substantially increased the health care system's efficiency, responsiveness, and prowess. Unfortunately, a number of reform proposals threaten to trample on the innovations that produced this revolution."
Article, Spring 1994
The Public Interest
PolicyFax #3200404 (11 pp.)

Robert Wood Johnson Foundation: One Philanthropy's Web of State Health Care Initiatives
by Genevieve M. Young
Tells the story of the Robert Wood Johnson Foundation and its "profound and powerful influence on the Clinton Administration's secret White House Health Care Task Force, and on the simultaneous efforts by many states to enact comprehensive health reform laws compatible with the requirements of the Clinton scheme."
Organization Trends, August 1995
Capital Research Center
PolicyFax #6401407 (5 pp.)

The Impact of Guaranteed Issue and Community Rating in the State of New York
by Mark E. Litow and Drew S. Davidoff
Examines the impact that guaranteed issue and community rating, as implemented by New York Legislative Act 12350 on April 1, 1993, have had on the number of insureds, premiums, and claim costs for the individual and small group health insurance markets in the State of New York. According to the study, the number of insureds covered under the Act is estimated to have decreased by approximately five hundred thousand people since reform.
Report, August 18, 1994
Milliman & Robertson
PolicyFax #3236405 (17 pp.)





Model Health Care Legislation from Golden Rule Insurance Company

featured Organization

Golden Rule Insurance Company, one of the nation's leading proponents of Medical Savings Accounts, has prepared a collection of model bills and resolutions. The full text of each is available through PolicyFax *as the following documents.*

Medical Savings Accounts
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3253602 (7 pp.)

Resolution to United States Congress Regarding Medical Savings Account Legislation
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3253601 (2 pp.)

Insurance Reimbursement Agreement
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3236603 (2 pp.)

Model Comprehensive Health Insurance Plan Act
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3236601 (12 pp.)

Health Insurance Security Act
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3236602 (5 pp.)

Voluntary Small Employer Purchasing Pools
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3236606 (5 pp.)

Loss Ratio Guarantee
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3236605 (3 pp.)

Medicaid Voucher Program
Legislation, 1994
Golden Rule Insurance Company
PolicyFax #3228604 (8 pp.)

HEALTH CARE

National Pharmaceutical Council

featured Organization

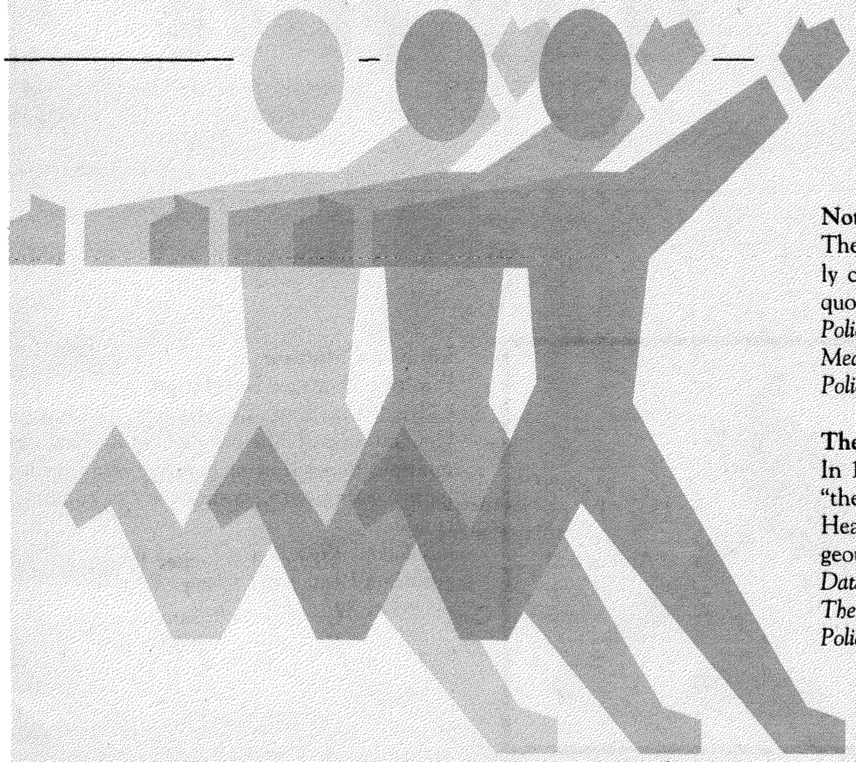
The National Pharmaceutical Council (NPC), founded in 1957, is a leading information and educational resource whose members are the major research-based pharmaceutical companies who discover and develop most of the innovative medicines used worldwide. Committed to the advancement of knowledge regarding the appropriate use of pharmaceuticals, the NPC communicates the value of pharmaceuticals to health care policy makers, public and private payors, and the pharmaceutical industry. Call 703/620-6390.

Pharmaceutical Marketing and Cultural Diversity
by Richard A. Levy and John W. Hawks
The growing cultural diversity in the United States represents a promising business opportunity for pharmaceutical manufacturers. "Pharmaceutical companies that understand these issues will be well-positioned to develop partnerships with provider organizations and to compete in the burgeoning ethnic markets of the twenty-first century."
Study, 1995
National Pharmaceutical Council
PolicyFax #3264410 (15 pp.)

Ethnic and Racial Differences in Response to Medicines
Many medicines may be more effective and freer of side effects for some racial and ethnic groups than for others. Health plans that require all people with a given illness to receive the same medicine may unwittingly produce costly medical problems in their patients.
Brochure, 1993
National Pharmaceutical Council
PolicyFax #3264409 (6 pp.)

Research in the Pharmaceutical Industry: Major Contributions to Biomedical Science and Implications for Public Policy
by Richard A. Levy, Ph.D. and Kerstin B. Mendander, M.D., Ph.D.
Cost-containment policies such as restrictive formularies, therapeutic substitution among drugs of a class, mandatory rebates, and price controls are disincentives for pharmaceutical research and development investment. Public policies should encourage, not discourage, the development of new drugs.
Analysis, 1992
National Pharmaceutical Council
PolicyFax #3264408 (15 pp.)

Pharmaceutical Research: Therapeutic and Economic Value of Incremental Improvements
by Richard A. Levy, Ph.D.
Current public policies inhibit small but ultimately vital advances in pharmaceutical technology. "Such policies," writes Levy, "would interfere with the fundamental process of medical advancement at a crucial time in pharmaceutical development."
Analysis, 1990
National Pharmaceutical Council
PolicyFax #3264407 (11 pp.)



HUMOR

Notable Quotables
The conservative Media Research Center publishes "a biweekly compilation of the latest outrageous, sometimes humorous, quotes in the liberal media." Get the most recent issue through PolicyFax.
Media Research Center
PolicyFax #9999501 (2 pp.)

They Predicted It
In 1943 Thomas Watson, then-chairman of IBM, opined that "there is a world market for maybe five computers." This Heartland *DataFile* includes nearly two dozen equally outrageous predictions.
DataFile, May 1996
The Heartland Institute
PolicyFax #3300405 (2 pp.)

LABOR

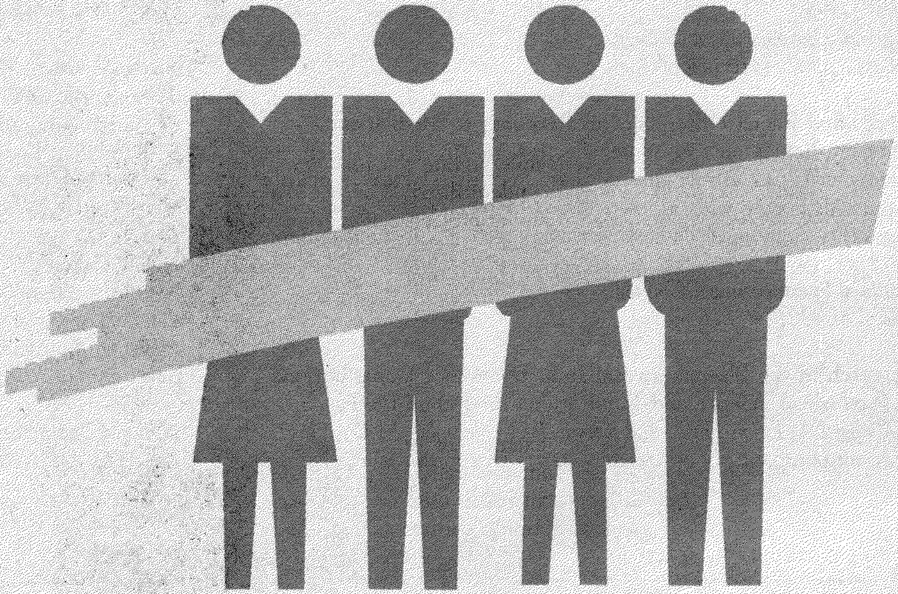
The Minimum Wage and the Contract Clause
by Robert W. McGee
Besides being bad economics, proposals to increase the minimum wage should be scrapped because they violate the Contract Clause of the Constitution.
Policy Brief, April 26, 1996
The Dumont Institute
for Public Policy Research
PolicyFax #2250401 (3 pp.)

The Minimum Wage Trap
by Bruce Bartlett
In 1981 the congressionally mandated Minimum Wage Study Commission found that a 10 percent increase in the minimum wage would reduce teenage employment by 1 percent to 3 percent, suggesting that between 130,000 and 400,000 jobs would be lost if the president's proposal to increase the minimum wage by 21 percent is approved by Congress.
Brief Analysis, April 24, 1996
National Center for Policy Analysis
PolicyFax #2250301 (2 pp.)

The Complex Dynamics of Raising the Minimum Wage
by Richard McKenzie
Increasing the minimum wage is "far more complex than . . . proponents would have us believe. A minimum-wage hike does not, and cannot, translate into a long-term improvement in welfare."
Brief Analysis, May 29, 1996
National Center for Policy Analysis
PolicyFax #2250302 (2 pp.)

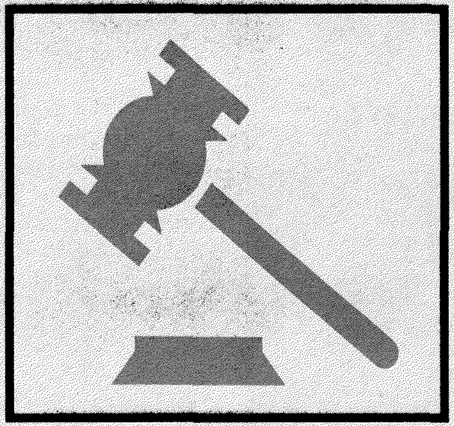
In Pursuit of Happiness
by Brett A. Magbee
By adopting right-to-work legislation, Oklahoma could make dramatic steps toward attracting new businesses and industries. According to a 1990 Oklahoma Department of Commerce report, nearly sixteen thousand Oklahomans commute every morning to Arkansas, a right-to-work state. Fewer than two thousand Arkansans work in Oklahoma.
Perspective, April/May 1996
Oklahoma Council of Public Affairs
PolicyFax #2272101 (5 pp.)

Public Pay Equity Act
"This bill establishes an annual ceiling limiting public employee compensation to the same change as has occurred over the last year in the private sector. If private compensation has increased, average public compensation can increase by no more than that amount. Similarly, if private compensation has decreased, average public compensation must decrease by at least the same percentage."
Model Legislation, 1995
American Legislative Exchange Council
PolicyFax #6500611 (8 pp.)



LAW

A Survey of Texans' Attitudes toward Legal Reform
The Texas Public Policy Foundation has released the results of its survey of Texans' attitudes toward reforming the legal system. The survey revealed that a considerable majority of Texas residents believes that significant reforms are needed.
Survey, Spring 1996
Texas Public Policy Foundation
PolicyFax #4800406 (part 1, 9 pp.)
#4800407 (part 2, 9 pp.)



Limits on Multiple Punitive Damages Resolution
"The American Legislative Exchange Council supports the principle of limiting the multiple imposition of punitive damages for harms arising out of a single act or course of conduct."
Resolution, 1995
American Legislative Exchange Council
PolicyFax #4812601 (1 p.)

PRIVATIZATION

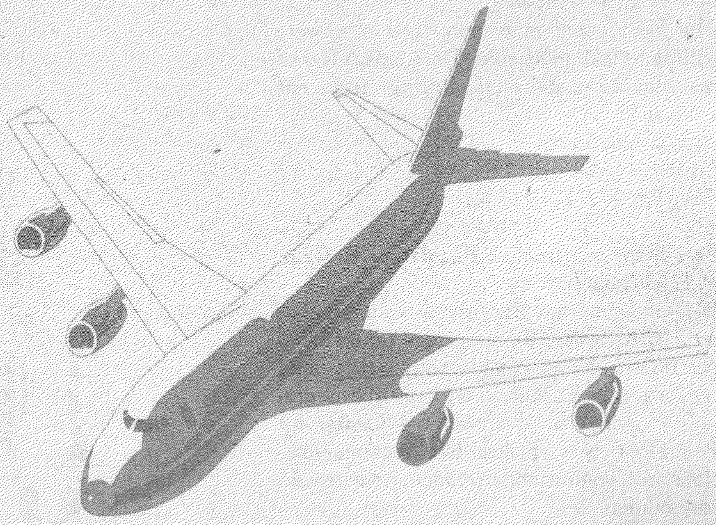
Private Adult Correctional Facility Census
by Charles W. Thomas and Dianne Bolinger
An outline of the prison privatization movement, and an analysis of the remarkable advances that have been made during the past decade or so.
Report, March 15, 1996
Center for Studies in Criminology and Law
PolicyFax #6512306 (introduction, 9 pp.)

"Value Pricing" Tested on 91 Express Lanes
Describes California's new toll road, which is one of the earliest large-scale applications of highway "value pricing"—charging motorists more or less depending upon how much traffic is on the road at any given time. It seems to be working.
Article, November 1995
Intelligent Transport Systems
PolicyFax #8105118 (4 pp.)

The Turnpike Experiment
by Alex Daniels
Virginia's Dulles Greenway, a fourteen-mile private toll road through northern Virginia's Loudoun County, is underutilized. Whether or not he road succeeds has implications for similar projects across America.
Governing, May 1996
National Conference of State Legislatures
PolicyFax #8105119 (2 pp.)

Reinventing Air Traffic Control:
A New Blueprint for a Better System
by Robert W. Poole, Jr. and Viggo Butler
The United States should follow the example of Britain, Germany, Switzerland—and now Canada—in fundamentally restructuring air raffic control. A not-for-profit user-controlled, user-funded corporaion is the best way to address the air traffic control system's fundamental problems.
Policy Study, May 1996
Reason Foundation
PolicyFax #8104401 (part 1, 12 pp.)
#8104402 (part 2, 12 pp.)

Michigan's Privatization Revolution
by Lawrence W. Reed
A brief summary of how a number of Michigan cities and towns have used privatization to their advantage.
Viewpoint, May 6, 1996
Mackinac Center for Public Policy
PolicyFax #6512103 (2 pp.)



Privatization '96

Featured Organization

The Reason Foundation's annual privatization report provides an excellent summary of the progress in privatization made across America and around the world over the past twelve months. From education to airports, this document is one of the most complete privatization references available anywhere. They can be contacted at 310/391-4395.

Public Sector Trends
Outlines recent trends in international, national, state, and local privatization.
PolicyFax #6500402 (10 pp.)

The Politics of Privatization
Privatization insights from Indianapolis mayor Stephen Goldsmith, New Jersey governor Christine Whitman, and Philadelphia mayor Ed Rendell.
PolicyFax #6500403 (7 pp.)

Tools for the Twenty-First Century
A how-to-manual for privatizers.
PolicyFax #6500404 (7 pp.)

Contracting Trends
Documents recent trends in privatizing such areas as education, solid waste, fire protection, emergency medical services, and much more.
PolicyFax #6500405 (4 pp.)

Infrastructure Trends
Elaborates on the privatization of infrastructure, including airports, highways, and corrections.
PolicyFax #6500406 (14 pp.)

REGULATION

Risky Behavior

by Thomas W. Hazlett

The FDA could save more lives if it were willing to take more risks. Dr. Kessler's fear of making a mistake is killing innocent victims.

Article, June 1996
Reason
PolicyFax #7212113 (1 p.)

Five Steps to Effective Regulatory Reform

by H. Sterling Burnett

Did you know that the private sector spends more than $668 billion, or more than $6,000 per household, to comply with new federal regulations. Burnett, an environmental policy analyst at the National Center for Policy Analysis, makes five recommendations to Congress about reducing our regulatory burden.

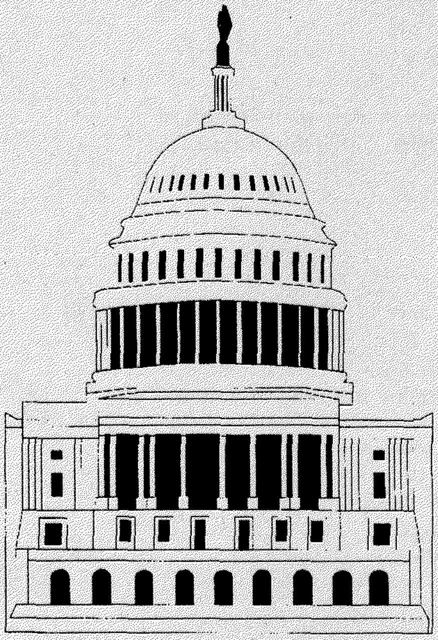
Brief Analysis, April 24, 1996
National Center for Policy Analysis
PolicyFax #7272301 (2 pp.)

Promise and Peril: Implementing a Regulatory Budget

by Clyde Wayne Crews

Regulations impose a huge burden on the economy. It may be time to impose a regulatory budget on Congress. "Agencies' responsibility would be to rank hazards serially, from most to least severe, and address them within their budget constraint. Any agency desiring to exceed its budget would need to seek congressional approval."

Analysis, April 1996
Competitive Enterprise Institute
PolicyFax #7200415 (12 pp.)



Retail Wheeling

Wheeling Electricity in Michigan

by Mary Wolfram

"Wheeling" would allow consumers to bypass their local utility to purchase electricity from the supplier of their choice, much like we individually choose our long-distance telephone carrier. Simply by eliminating the monopoly power that electric utilities enjoy, Americans could save billions of dollars in energy costs.

Viewpoint, May 6, 1996
Mackinac Center for Public Policy
PolicyFax #7275101 (2 pp.)

End of a Monopoly?

by Eric Sikkema

Legislators considering "retail wheeling" for their states are being asked to juggle multiple concerns—"to protect ratepayers, utilities and their shareholders, maintain state economic development and environmental agendas, and ensure an affordable reliable supply of electricity for all customers."

State Legislatures, February 1996
National Conference of State Legislatures
PolicyFax #7275103 (2 pp.)

Retail Wheeling of Electricity

by Eric Sikkema

A useful summary of the multiple issues behind retail wheeling.

LegisBrief, September 1994
National Conference of State Legislatures
PolicyFax #7275102 (2 pp.)

Retail Wheeling: A Briefing for Foundations

by Hal Harvey and Eric Heitz

"Increased competition in the utility industry is a good idea. Retail wheeling is a bad way to implement it: the overall economic, environmental, and equity impacts could be staggering. This paper examines retail wheeling, its status in the U.S., and suggests a role for foundations in promoting a utility industry structure which is more efficient but continues to align social goals with utility profit incentives."

Briefing, October 1994
National Conference of State Legislatures
PolicyFax #7275405 (6 pp.)

Summary of Each State's Restructuring Activities

A state-by-state analysis of legislative developments regarding retail wheeling. Parts 3 and 4 of this document are updates to the information contained in parts 1 and 2.

Summary, July 17, 1995
National Council on Competition
and the Electric Industry
PolicyFax #7275401 (part 1, 10 pp.)
#7275402 (part 2, 10 pp.)
#7275403 (part 3, 9 pp.)
#7275404 (part 4, 3 pp.)

Wagers of Sin

by Nick Gillespie

The latest target of would-be prohibitionists is legalized gambling. This backlash "threatens yet another personal liberty . . . [and] allows insight into the prohibitionist mindset."

Article, June 1996
Reason
PolicyFax #0828105 (2 pp.)

The Market Approach to Job Training

by John Hood

"All sides seem to agree that America must raise the educational level of its workers. But would-be reformers often forget that the largest educational system in the United States is neither the public schools nor institutions of higher learning. It is the education and training workers receive from their employers or in the private marketplace."

Policy Review, May-June 1996
The Heritage Foundation
PolicyFax #2140101 (2 pp.)

Erasing Our Moral Deficit

by Amitai Etzioni

The noted communitarian provides a three-step agenda for healing American society: 1) shore up the family; 2) rebuild America's schools; and 3) restore the importance of community.

Philanthropy, Spring 1996
The Philanthropy Roundtable
PolicyFax #2408101 (3 pp.)

Denationalizing Community

by Richard Cornuelle

The author of *Reclaiming the American Dream* argues that the breakdown in community can be attributed to our attempts to nationalize it.

Philanthropy, Spring 1996
The Philanthropy Roundtable
PolicyFax #2428102 (4 pp.)

Virtuous Markets: The Market as School of the Virtues

by Ian Maitland

Rather than encouraging greed, the market rewards many of the character traits that we commonly call virtuous. "Therefore, participation in the market may inculcate values and dispositions that make us better citizens—as well as better colleagues, suppliers, employers or employees, and so on. By reinforcing these character traits, the market (as it were by a hidden hand) strengthens its own foundations and reproduces a moral culture that is functional to its own needs."

Essay, April 1996
Center of the American Experiment
PolicyFax #2000404 (14 pp.)

American Orphanages: How We Used to Care for Children

by Marvin Olasky

Orphanages tend to be thought of as Dickensian houses of bleakness, yet our bias toward accentuating the negative in the history of orphanages has often led us to forget the many positive qualities of the institutions.

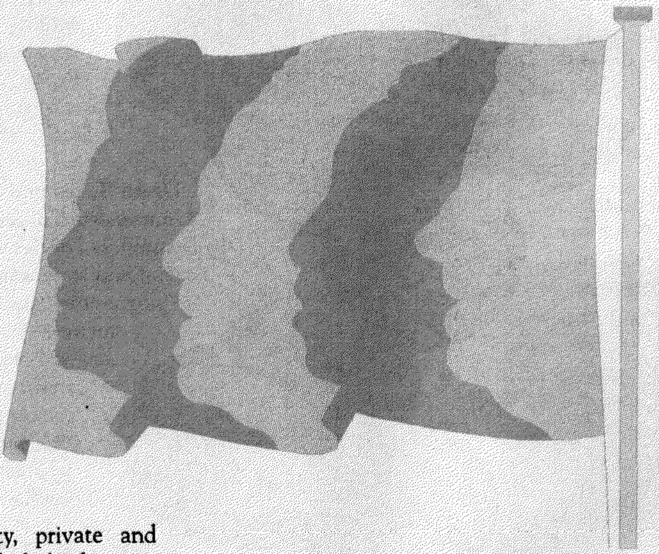
Philanthropy, Culture, and Society, May 1996
Capital Research Center
PolicyFax #2400118 (6 pp.)

Have Americans Forgotten How to Be Charitable?

by Marvin Olasky

The failure of the welfare state has blinded us to "America's past successes in poverty-fighting. And yet, in city after city, private and church-based programs that do help the poor are alive, and sometimes thriving."

Indiana Policy Review, April-May 1996
Indiana Policy Review Foundation
PolicyFax #9200203 (7 pp.)



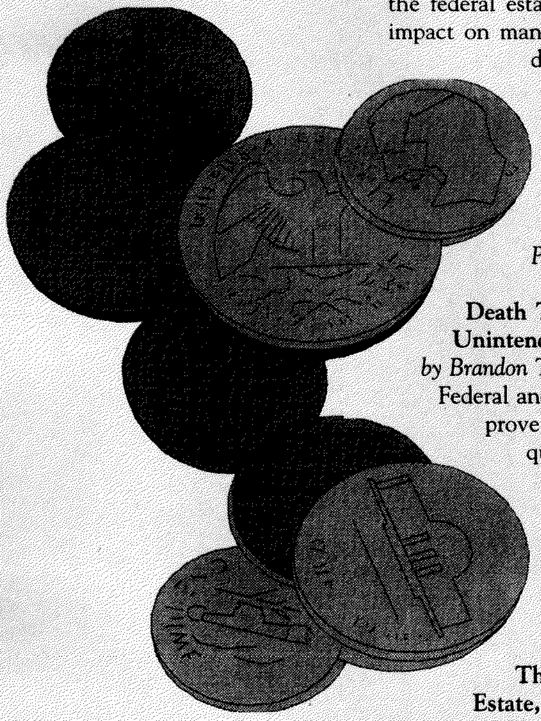
TAXES

National Sales Tax Proposal Adds Variety to Tax Reform Debate

The National Retail Sales Tax Act, introduced by Reps. Dan Schaefer (R-Colo.) and Billy Tauzin (R-La.), would replace the federal income tax system, the estate and gift tax, and all non-trust fund federal excise taxes with a sales tax on all goods and services. According to Tax Foundation senior economist Arthur P. Hall, the Schaefer-Tauzin sales tax plan could reduce the tax-related burden for the average taxpayer by an estimated 37 percent.
Analysis, March 1996
Tax Foundation
PolicyFax #8076103 (3 pp.)

Federal Estate and Gift Taxes: Are They Worth the Cost?

While everyone is aware of the federal income tax, the federal estate tax may actually have a bigger impact on many Americans than the income tax does. *Fact*: The estate tax isn't just a tax on the wealthiest families: almost 90 percent of estate-tax returns are filed by estates of $2.5 million or less.
Report, 1996
Center for the Study of Taxation
PolicyFax #8022401 (8 pp.)



Death Taxes and Unintended Consequences

by Brandon T. Dutcher

Federal and state inheritance and estate taxes prove the law of unintended consequences by negatively impacting capital formation, savings, wage rates, and job creation.
Commentary, February 9, 1996
Oklahoma Council of Public Affairs
PolicyFax #8038101 (3 pp.)

The Moral Case to Abolish Estate, Gift, and Inheritance Taxes

by Robert W. McGee

Estate, gift, and inheritance taxes "are exploitative, and thus are morally bankrupt." They amount to double taxation and provide no benefits—not even indirect ones—to those taxed.
Policy Brief, March 15, 1996
The Dumont Institute for Public Policy Research
PolicyFax #8022402 (3 pp.)

Would a Flat Tax Flatten Philanthropy?

By Robert J. Breshock

Opponents of the flat tax argue that, by eliminat ing tax deductions for charitable giving, the pro posal would seriously curtail philanthropic efforts But a vice president of Harris Trust and Saving Bank argues that "by creating wealth . . . w increase the disposable wealth of the most gener ous people on the planet. This can only bode wel for charitable giving."
Philanthropy, Spring 1996
The Philanthropy Roundtable
PolicyFax #8024122 (3 pp.)

The Flat Tax and Housing Values

by J.D. Foster

The Tax Foundation has studied the likely effect c a flat tax on housing values and concluded that th results would be favorable for those owning home with a value of $100,000, neutral for those wit homes valued at $200,000, and slightly unfavorable for homes of $300,000 or more.
Special Report, May 1996
Tax Foundation
PolicyFax #8024115 (4 pp.)

The Flat Tax and Small Business

by Raymond J. Keating

"Overall, a low-rate, flat income tax would serve a a boon to entrepreneurs, small business, and th economy. In the short run, there will be a fe adjustment pains for some businesses that grew ou of various artificial incentives in our current, complex tax code. But such woes would soon fad away, to be dwarfed by vastly improved incentive for investment and entrepreneurship. In terms c expanding the pool of available capital, lowerin and flattening income tax rates, and tax simplification . . ., small business will thrive under suc reforms."
Testimony, May 18, 1995
Small Business Survival Committee
PolicyFax #8024202 (10 pp.)

The Grad Tax Debate: Down the Slippery Road to Serfdom

by Paul F. Reid and David G. Tuerck

A graduated income tax is the first step along long "road to serfdom." Rather than increasin "fairness"—the claim of the tax's proponents—i will burden taxpayers and businesses for many yea to come.
Policy Study, April 1994
The Beacon Hill Institute
PolicyFax #8036405 (part 1, 12 pp.)
#8036412 (part 2, 12 pp.)

Testimony on Replacing the Federal Income Tax
by Ray Tyler
A small business owner testifies as to the enormous financial burden imposed by the income tax.
Testimony, June 6, 1995
Small Business Survival Committee
PolicyFax #8024201 (4 pp.)

The Internal Revenue Service has 480 tax forms and another 280 forms to tell you how to fill them out. **Robert E. Hall and Alvin Rabushka, *The Flat Tax* (Stanford, CA: Hoover Institution Press, 1995).**

Colorado Tax Limitation Amendment
The text and an analysis of an amendment to the Colorado Constitution to require voter approval for certain state and local government tax revenue increases and debt.
Legislation
State of Colorado
PolicyFax #8080601 (4 pp.)

Tax Freedom Day® Climbs Another Notch: May 7
This year's Tax Freedom Day—the day the average American can quit working to pay his or her federal, state, and local taxes for the year—falls on May 7, a day later than last year's and the latest ever. The average American spends nearly three hours of every eight-hour work day laboring to pay taxes.
Analysis, April 1996
Tax Foundation
PolicyFax #8082108 (3 pp.)

Cost of Government Day: July 3, 1996
July 3 is the Cost of Government Day—"the date of the calendar year, counting from January 1, on which the average American has earned enough in gross income to pay off all his direct and hidden taxes (total federal, state, and local government spending, plus the cost of regulation)." That means that Americans spend more than half the calendar year working for the government.
Analysis, 1996
Americans for Tax Reform
PolicyFax #8082402 (14 pp.)

Testimony on a Proposed Constitutional Amendment to Require a Two-Thirds Vote to Increase Taxes
by the Hon. Pete Du Pont
The former presidential candidate and governor of Delaware testifies before Congress on the merits of a constitutional amendment to require a supermajority vote to raise taxes, or increase or broaden the base or rate of existing taxes.
Testimony, April 15, 1996
National Center for Policy Analysis
PolicyFax #8036201 (6 pp.)

Madison Review: Issue on Tax Reform

featured Organization

The Spring 1996 issue of the Madison Review, *a quarterly publication of the James Madison Institute, features nine timely articles on tax reform. The authors are among the most prominent in their field. Eight of the articles are available below; the ninth, the Kemp Commission Report, Unleashing America's Potential, is available in five parts through* PolicyFax *as documents #8036407, #8036408, #8036409, #8036410, and #8036411. Contact the James Madison Institute at 904/386-3131.*

Taxes: Reform and Revolution
by Thomas R. Dye (Madison Review)
PolicyFax #8000103 (2 pp.)

Tax Reform and the Foundations of Federal Taxation
by Arthur P. Hall (Tax Foundation)
PolicyFax #8024121 (9 pp.)

The Case for the Flat-Rate Income Tax
by Richard Vedder and Lowell Gallaway (Ohio University)
PolicyFax #8024120 (5 pp.)

Tear the Income Tax Out by Its Roots
by Rep. Bill Archer (R-Texas)
PolicyFax #8024119 (2 pp.)

Federalism and the Flat Tax
PolicyFax #8024118 (2 pp.)

The Flat Tax in Our Future
by Rep. Dick Armey (R-Texas)
PolicyFax #8024116 (4 pp.)

A Flat Tax that Falls Flat
by Eric Toder (Department of the Treasury)
PolicyFax #8024117 (3 pp.)

Economic Freedom of the World
by James Gwartney (Florida State University), Robert Lawson (Shawnee State University), and Walter Block (College of the Holy Cross)
PolicyFax #8000102 (5 pp.)

TAXES

The Right to Know Payroll Form

The Right to Know Payroll Form, developed by the Mackinac Center for Public Policy, is designed to give employees a better idea of the total cost of employment taxes, mandated programs, and administering those taxes and programs. Toward that end, the Mackinac Center has developed an alternative paycheck stub that employers can use to better inform their employees.

Mackinac Center for Public Policy, May 1996
PolicyFax #2200112 (4 pp.)

According to a recently published booklet by the American Petroleum Institute, *How Much We Pay for Gasoline*, federal and state gasoline taxes in 1995 amounted to an average of 40.4 cents per gallon.

What the Gas Tax Costs State Economies

by John Shanahan and
Christine L. Olson

Gasoline taxes raise the cost of driving a car an average of $310 per year. Repealing the 1993 gas tax would benefit the economy by reducing transportation costs, as well as help family budgets.

FYI, May 7, 1996
The Heritage Foundation
PolicyFax #8021105 (3 pp.)

TRADE

Market Opening or Corporate Welfare

by Scott Latham

The U.S. government has singled out Japan as a country that employs particularly egregious protectionist policies. A closer look suggests that U.S.-Japan trade disputes are often simply the result of American firms' enlisting government help to make up for their earlier neglect of Japan's market. Calls for U.S. retaliatory action against Japan are frequently little more than pleas for corporate welfare.

Analysis, April 15, 1996
Cato Institute
PolicyFax #1980416 (part 1, 13 pp.)
#1980417 (part 2, 17 pp.)
#1980418 (part 3, 18 pp.)

Trade Secrets: Global Markets Spur Toledo's Turnaround

by Christopher Garcia

"Refusing to turn its back on the world, Toledo, Ohio has turned rust to riches by exploiting international trade opportunities. As a result, employment has reached a twenty-five-year high, unemployment has plummeted to 4.8 percent, manufacturing jobs are growing at 7 percent a year, and waiting lists have formed for the three hundred to five hundred new housing units under construction downtown."

Policy Review, May-June 1996
The Heritage Foundation
PolicyFax #1980415 (4 pp.)

Symposium: Is Free Trade Good for American Working Men and Women?

By Bryan T. Johnson and
Clyde V. Prestowitz, Jr.

Two trade experts debate the effects of free trade on American workers. Johnson, a Heritage Foundation policy analyst, argues that free trade is the road to prosperity and counters six common objections cited by trade proponents. Prestowitz, president of the Economic Strategy Institute, argues that "sometimes what masquerades as free trade is not free and not good for working people."

Article, May 20, 1996
Insight on the News
PolicyFax #1980115 (4 pp.)

Business in the Global Community

by Robert W. McGee

Economic nationalism is on the rise, but a "policy of free trade can counteract these nationalistic tendencies, reduce disharmony, overcome petty prejudices and raise the standard of living for the vast majority of the earth's population."

Essay, 1996
The Dumont Institute
for Public Policy Research
PolicyFax #1980413 (7 pp.)

Antidumping Laws in the Twenty-First Century

by Robert W. McGee

"Antidumping" laws, which penalize foreign producers for selling their products in domestic markets for less than the cost of production or for less than the price they charge in their home market, are, besides being bad economics, unfair to consumers.

Essay, 1996
The Dumont Institute
for Public Policy Research
PolicyFax #1980414 (12 pp.)

American Automobile Manufacturers Association: Trade

"America's car companies are playing a leading role in increasing U.S. exports to markets around the world. . . . These impressive results have been achieved despite the obstacles America's car companies continue to face in exporting vehicles to the closed markets of Japan and Korea."

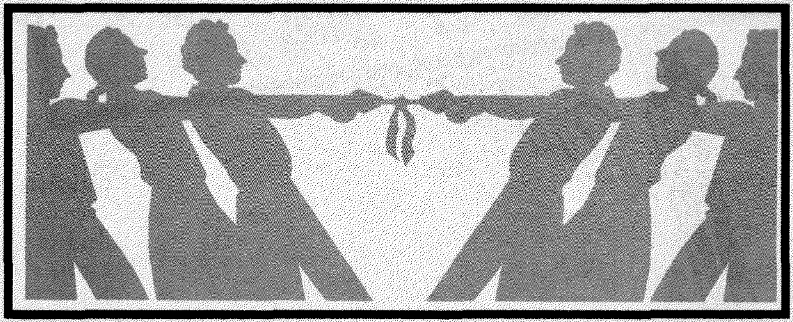
Factsheet, April 1996
American Automobile
Manufacturers Association
PolicyFax #1980409 (5 pp.)

WELFARE

Poor before Welfare
by David Beito
"It is indeed true that when measured in dollar amounts, the combined efforts of traditional charities at the turn of the last century, such as the Salvation Army, were small when compared to those of the modern welfare state. The chief problem with such an approach is that it entirely misses the point. . . . While most Americans at the time conceded that such agencies performed necessary and positive functions, even the poorest of the poor regarded them as a last resort and then only a temporary one. As a result, the size of the dependent population remained infinitesimal by today's standards."
Article, May 6, 1996
National Review
PolicyFax #9265101 (3 pp.)

Welfare Reform in the States
Analysts from a handful of think tanks evaluate their states' welfare reform efforts.
Alternatives in Philanthropy, May 1996
Capital Research Center
PolicyFax #9272421 (part 1, 10 pp.)
#9272422 (part 2, 8 pp.)

Welfare Reform, California Style
by Eloise Anderson
The director of the California State Department of Social Services addresses a Canadian audience on lessons to be learned from California's welfare system.
Fraser Forum, April 1996
Fraser Institute
PolicyFax #9272420 (10 pp.)



ACCOUNT APPLICATION

Fax this completed application to 847/202-9799, or mail it to The Heartland Institute, 800 East Northwest Highway, Suite 1080, Palatine, Illinois 60067.

Having a *PolicyFax* account saves time by allowing you to type a single eight-digit account number each time you place an order—your credit card and fax machine numbers are stored electronically. Your Visa or MasterCard will be automatically billed $5 for each document you order. It costs you nothing to establish an account, and opening an account does not obligate you to use *PolicyFax*.

If you are a state legislator or journalist, do not fill out this form. Check your mailing label for your eight-digit account number. If no number appears, you can establish an account by calling The Heartland Institute at 847/202-3060.

Name ______________________________

Phone ______________ Fax ______________

Title ______________ Company ______________

Street ______________________________

City, State, Zip ______________________________

I am a:

☐ Heartland Donor
☐ Librarian
☐ Lobbyist
☐ Student
☐ Teacher
☐ Think Tank
☐ Other

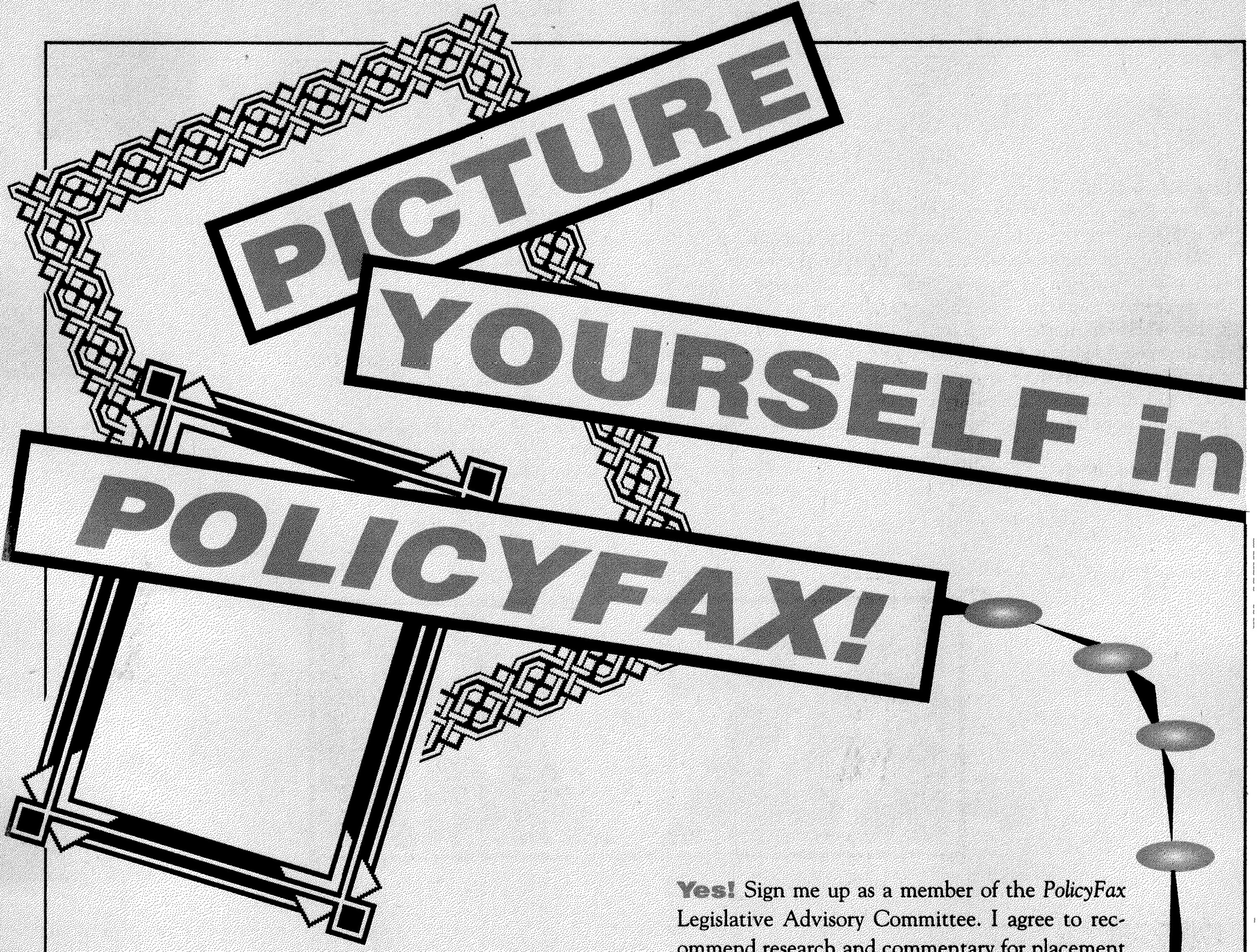
I authorize The Heartland Institute to charge the credit card listed to the right $5 for each *PolicyFax* document ordered using my *PolicyFax* account.

The following information must be provided.

Name on Card ______________________________

Card Number ______________ Card Type ______________

Expiration ______________ Signature ______________



PICTURE YOURSELF in POLICYFAX!

Join the *PolicyFax* Legislative Advisory Committee. It's a group of legislators like you who ensure that quality research and commentary on "hot" issues is posted on *PolicyFax*. By helping us decide what material appears on *PolicyFax*, you can help your colleagues around the nation.

Photographs and brief biographies of Committee members will appear in our annual *PolicyFax* directory, delivered to 8,000 elected officials and 2,000 journalists nationwide. Plus, we respond extra-quickly to research requests of Committee members.

To become a part of the Legislative Advisory Committee, please fill out the form below and return it to The Heartland Institute. Or for more information, call **Matthew Nutting** at 847/202-3060.

Yes! Sign me up as a member of the *PolicyFax* Legislative Advisory Committee. I agree to recommend research and commentary for placement on *PolicyFax*, and to promote *PolicyFax* among my colleagues.

Name ______________________________
Title ______________________________
District ______________ State ______________
Phone ______________ Fax ______________
E-mail ______________________________

Fax this form to **847/202-9799** or mail it to The Heartland Institute, 800 East Northwest Highway #1080, Palatine, Illinois, 60067. For more information, call 847/202-3060. The Heartland Institute is a 501(c)(3) nonprofit, nonpartisan research organization.

Help shape *PolicyFax* . . . and get some national attention too!

Gun Control: Is the Tide Turning?

Austin Fulk

Austin Fulk is a research associate at the Capital Research Center.

Gun control is one of our society's most contentious issues. For some, guns are a symbol of all that is wrong with our violence-prone society; for others, gun ownership is a fundamental right and an indispensable element of a free society.

Despite gun control activists' success in tightening laws at the national level, a broad-based and little-noticed movement has been working in the states to liberalize restrictive gun laws. This "quiet revolution" has focused primarily on changing state laws to allow individuals to carry a loaded, concealed firearm.

In 1987, Florida became the first state in decades to relax its concealed weapon laws. Shortly thereafter, a number of other states followed suit, and the trend continues. In 1995 alone, ten states liberalized their laws. Most of those states now have what is known as a "shall-issue" system: applicants are deemed to have a right to obtain a CCW (Carrying Concealed Weapon) permit, and the state must provide an affirmative reason to deny the issuance of one. For example, states may deny applicants who have felony convictions or a history of mental illness.

> *A broad-based and little-noticed movement has been working in the states to liberalize restrictive gun laws.*

Naturally, such changes have not come without considerable controversy. But gun control groups have had few successes in the latest state legislative battles over the right to carry concealed weapons. Like many other big-government advocacy groups, their power is concentrated in Washington, D.C. They thrive on coalition-building and public relations image-making in the national media. The real question is whether those advantages can survive renewed grassroots challenges by state and local defenders of Second Amendment rights.

Handgun Control, Inc.

The largest and most powerful opponent of CCW reform is the 501(c)(4) Handgun Control, Inc. and its affiliated 501(c)(3), the Center to Prevent Handgun Violence. Since its founding, HCI has grown to over 380,000 members, and it has an annual budget of over $6 million. The affiliated CPHV had a budget in 1994 of $2.4 million. CPHV's educational efforts include its STAR (Straight Talk about Risks) program, which is intended to convince school-aged children that guns are a key element of criminal violence.

CPHV's Legal Action Project defends gun control legislation in the courts against legal challenges by gun rights advocates. For example, it has filed briefs defending a municipal Morton Grove, Illinois, law banning handgun ownership and California's state ban on assault weapons.

The Legal Action Project also has tried to use the courts to secure unlegislated gun control. CPHV has undertaken court cases that would impose a legal doctrine of strict liability on manufacturers of so-called "assault weapons." Under this interpretation, manufacturers would be liable for damages that result from the misuse of their firearms, without regard to the circumstances. This back-door approach to gun control would effectively end the production of these firearms and probably drive the manufacturers out of business.

HCI was heartened by the election of Bill Clinton, the first president since Jimmy Carter to campaign on a platform that included stricter gun control laws. Clinton promised to work for passage of both the Brady Bill and an assault weapons ban, and in 1994 he fulfilled his promise.

For the most part HCI avoids talk of banning guns or adopting other positions that might alienate potential supporters. But after the Brady Bill and the assault weapons ban were passed, HCI unveiled "Brady II." This was its blueprint for national gun control, and it is anything but moderate.

Going far beyond the most restrictive state laws, Brady II would mandate federal licensing of all handgun owners, registration of all handgun sales, and a limit on handgun purchases to one per firearm dealer's license. The law would allow only licensed gun dealers to sell ammunition, and make it a crime to leave a firearm "accessible" to anyone under age sixteen.

The states lead the way

The election of 1994 stalled the final assault on guns. Yet the assault weapons ban remains intact, and President Clinton promises to veto any legislation attempting a repeal. Could the anti-gun groups consolidate their gains?

This may appear to be the current situation at the national level, but it ignores the important changes taking place at the state level. Reform legislation permitting the carrying of concealed weapons is being passed nationwide, and no help from the federal government is needed. Congress may soon get into the act on CCW reform, possibly by considering legislation to allow CCW holders to carry guns across state lines. But for now the federal government is not needed for reform to succeed.

Available on *PolicyFax*

South Carolinians Have Nothing to Worry about from Concealed Handguns
"Allowing citizens to arm themselves does not increase homicide rates or overall crime rates. (*South Carolina Policy Council, March 1996, 2 pp.*)

Call 847/202-4888
Order document #1328109

Welfare

Robert Rector & Patrick Fagan

Robert Rector and Patrick Fagan
are welfare experts at
The Heritage Foundation.

How Welfare Harms Kids

The U.S. welfare system has failed. Designed to help children, in practice it abuses and neglects the very children it was intended to save.

The welfare system has failed because the ideas it was founded upon are flawed. The system is based on the assumption that higher welfare benefits and expanded welfare eligibility are good for children. According to this theory, welfare reduces poverty, and thus will increase children's lifetime well-being. That is untrue. Higher welfare payments do not help children; they increase dependence and illegitimacy, which have a devastating effect on children's development.

Americans often are told that the current welfare system does not promote long-term dependence. That, too, is untrue.

- The 4.7 million families currently receiving Aid to Families with Dependent Children (AFDC) have already spent, on average, six-and-a-half years on welfare.
- When past and estimated future receipts of AFDC are combined, the estimated average length of stay on AFDC, among those families currently receiving benefits, is thirteen years.
- Among the 4.7 million families currently receiving AFDC, over 90 percent will spend over two years on the AFDC caseload. More than 75 percent will spend over five years on AFDC.

It is welfare dependence, not poverty, that has the most negative effect on children.

- Recent research by Congressional Budget Office Director June O'Neill shows that increasing the length of time a child spends on welfare may reduce the child's IQ by as much as 20 percent.
- Welfare dependency as a child has a negative effect on the earnings and employment capacity of young men. The more welfare income received by a boy's family during his childhood, the lower the boy's earnings will be as an adult, even when compared to boys in families with identical non-welfare income.

Welfare also plays a powerful role in promoting illegitimacy. O'Neill's research also shows, for example, that a 50 percent increase in monthly AFDC and Food Stamp benefit levels will cause a 43 percent increase in the number of illegitimate births within a state. Illegitimacy, in turn, has an enormous negative effect on children's development and on their behavior as adults. Being born outside of marriage and raised in single-parent homes

- triples the level of behavioral and emotional problems among children;
- nearly triples the level of teen sexual activity;
- doubles the probability that a young woman will have children out of wedlock; and
- doubles the probability that a boy will become a threat to society, engage in criminal activity, and wind up in jail.

If America's children are to be saved, the current welfare system must be replaced. The automatic and rapid growth of welfare spending must be curtailed. Welfare should no longer be a one-way handout; recipients should be required to work for benefits received. Steps must be taken to reduce future illegitimacy, beginning with limiting cash welfare payments to unmarried teen mothers.

Finally, Americans must help children rise upward out of poverty and despair by enlisting the support of those institutions that have a record of real success. The evidence is clear that religious institutions have enjoyed dramatic success in reducing teen sexual activity, crime, drug use, and other problems among young people. In order to truly help poor children, America must rely on the healing and guiding force of religious institutions. That can be done by giving poor parents government-funded education vouchers that could be used to send their children to private schools, including religious schools.

> *Higher welfare payments do not help children; they increase dependence and illegitimacy, which have a devastating effect on children's development.*

The U.S. welfare system has been based on the hypothesis that combating poverty through more generous welfare spending is crucial to children's future. That thinking is simply wrong. An expanded and more expensive welfare system will not benefit children. Instead, expansion of welfare leads to greater dependence and illegitimacy, which in turn have devastatingly negative consequences on children. Those truly concerned with the welfare of children must seek a radical transformation of the welfare system aimed not at increasing welfare spending and enrollment, but at reducing dependence and illegitimacy.

Available on *PolicyFax*

Will Workfare Work?
Workfare programs seem to be only a partial solution to a complicated problem. *(Governing, April 1996, 5 pp.)*

Call 847/202-4888
Order document #9272419

Mind if I Smoke?

By Joseph L. Bast

It would be hard not to notice that somebody declared open hunting season on cigarette smokers and their suppliers. On June 27, ABC's Peter Jennings hosted an hour-long "news special" titled "Never Say Die: Why the Tobacco Industry Keeps Winning." On that same day, a column by Garry Wills titled "Lies tobacco companies tell us" appeared in papers across the country.

On behalf of 25 percent of the adult population that smokes, may I offer a few words of rebuttal?

According to both Wills and Jennings, the fact that "spokesman" Joe Camel is a cartoon somehow proves that R.J. Reynolds, which manufactures Camel cigarettes, is targeting kids. Do you suppose they also believe Metropolitan Life uses Snoopy to get kids to buy life insurance? And how about Mr. Clean, the bald guy with an earring who pitches a household cleaner? And the Michelin Man? Last time I checked, people under the age of eighteen weren't major buyers of life insurance, household cleaners, or automobile tires. Cartoons, it seems clear, can and are used to pitch products that could only be of use to adults.

Wills and Jennings also claim that Republicans oppose plans by the Food and Drug Administration (FDA) to regulate cigarettes because they receive campaign contributions from the tobacco industry. But it is more likely that the campaign contributions go to Republicans because they have been leading the fight against the use of "junk science" in a variety of areas, including smoking, by the FDA and its evil twin, the Environmental Protection Agency (EPA). There's plenty of proof—including a recent study by the Congressional Research Service—that evidence concerning the health effects of "second-hand smoke" doesn't support the claims being made by EPA and FDA.

Besides the debate over junk science, it is still more plausible for Republicans than Democrats to be supporting smokers rights out of principle. Asking the government to play "nanny" over adult citizens is a quintessentially Democratic thing to do. Limiting the authority of government and leaving people "free to choose" are (or at least once were) quintessentially Republican positions. With or without the inducement of campaign contributions, more Republicans than Democrats would support smokers rights.

Despite all this, Wills and Jennings apparently believe tobacco companies ought to fund Democrats at the same level as they fund Republicans. But since the former have declared war on the tobacco industry, it seems to me that would be a pretty stupid thing for tobacco executives to do.

And speaking of partisan bias, Jennings' choice of "experts" for the program included Illinois congressman Dick Durbin (D) and California state representative Tom Hayden (D), two left-wing extremists who can be counted on to attack any industry, any time. The extremism of Hayden—a one-time student protester and avowed socialist—was once well known, but the events of the 1960s now predate the memories of even most thirty-somethings. How many viewers remembered? And how many viewers knew that Durbin is easily as far to the left as his radical colleague, receiving the worst rating possible from Citizens Against Government Waste, an "F" from National Taxpayers Union, and a "zero" from Americans for Tax Reform?

Wills and Jennings would have done better to direct their skepticism at such leading advocates of censorship as Durbin, Hayden, and President Clinton. After all, what is more believable: That these pols are born-again neo-Puritans, or that they are cynically using a public health controversy to score political points?

The reader may recall that Peter Jennings's network, ABC, was forced in 1994 to apologize to tobacco companies for falsely accusing them of "spiking" cigarettes with nicotine. Smokers shouldn't hold their breath waiting for Apology II.

• • • •

Joseph L. Bast is president of The Heartland Institute and is the coauthor of *Eco-Sanity: A Common-Sense Guide to Environmentalism.*

STATE SPENDING FACTS

Estimated 1996 State Spending

	spending (in millions)	change from 1995
Indiana	$7,180	+13.4%
Nevada	$1,233	+11.8%
Utah	$2,612	+11.6%
Delaware	$1,714	+11.2%
West Virginia	$2,422	+9.6%
Missouri	$5,758	+9.4%
Georgia	$10,358	+9.0%
Kentucky	$5,443	+8.7%
Ohio	$16,286	+8.7%
South Carolina	$4,404	+8.7%
Minnesota	$9,257	+7.6%
Nebraska	$1,810	+7.5%
Oregon	$3,563	+6.9%
Maryland	$7,442	+6.3%
Colorado	$4,152	+6.1%
Connecticut	$8,914	+6.1%
Tennessee	$5,474	+5.8%
Texas	$21,836	+5.8%
South Dakota	$622	+5.6%
California	$44,246	+5.4%
Montana	$999	+5.4%
New Jersey	$15,758	+5.4%
Arkansas	$2,583	+5.3%
Illinois	$18,121	+5.3%
Idaho	$1,331	+5.0%
Kansas	$3,474	+5.0%
Wisconsin	$8,216	+5.0%
Michigan	$8,439	+4.9%
Iowa	$3,783	+4.6%
ALL STATES	**$368,294**	**+4.5%**
Florida	$14,797	+3.9%
Massachusetts	$16,304	+3.8%
Mississippi	$2,776	+3.8%
Oklahoma	$3,547	+3.2%
Wyoming	$491	+3.2%
Arizona	$4,562	+3.1%
Pennsylvania	$16,220	+3.1%
Maine	$1,732	+2.7%
Louisiana	$4,852	+2.6%
New Mexico	$2,781	+2.5%
Virginia	$7,666	+2.3%
Alabama	$4,235	+2.0%
Vermont	$703	+1.9%
Washington	$8,645	+1.9%
North Dakota	$639	+1.6%
Rhode Island	$1,651	+0.6%
Hawaii	$3,154	+0.1%
North Carolina	$10,032	0.0%
New York	$32,748	-1.9%
Alaska	$2,483	-3.5%
New Hampshire	$845	-13.0%

National Governors' Association, 1996

Point of View

The NEA Convention: The Same Old Story

by John E. Berthoud

The 134th annual convention of the National Education Association (NEA) ended last week with talk by union leaders of reform and change. Unfortunately, little real progress was made. The 2.2 million member union thus remains unquestionably the biggest obstacle to real reform of America's schools.

> *What union leaders billed as the biggest democratic gathering in the world once again represented neither America's teachers nor America's children.*

Much of the convention talk was about reform, but behind the rhetoric there was little substance. Perhaps the most ballyhooed reform passed by the convention was the Charter School Initiative (CSI). Charter schools are run by teachers, parents, or the local community and are largely free from state and district bureaucratic meddling. Since 1991, twenty-four states have passed some type of charter school legislation.

The NEA opposed this concept when it was first proposed, but given the popularity of charter schools, the union has cleverly decided to change tactics. Now it claims to support charter schools, but throws all its lobbying forces behind making any charter school plans weak and essentially useless. The NEA has discovered all kinds of mechanisms to defang the "threat" of charter schools—including throwing bureaucratic roadblocks in front of them and stripping much of the charter schools' autonomy. Nonetheless, in reading NEA convention press releases, you'd think that it is leading the charge for reform.

> *The NEA backs up its agenda with political action committee contributions. This year it will again spend millions on congressional campaigns. In 1994, it was the fifth-biggest contributor in the country.*

Beyond school-specific reforms, the convention was a disappointment in terms of the union's larger public policy agenda. The NEA has long had an agenda that is hostile to the interests of children. It is seen most clearly on the issue of entitlements, where the union wants to massively expand benefits for today's seniors. That will, of course, add to the financial burden that our children will face later in their lives.

Sadly, despite an opportunity to change course, the union leadership went on record again to oppose means-testing entitlements and support lowering the Social Security retirement age and fully funding the expensive claims of the "notch baby" retirees. And beyond entitlements, a reading of the new union agenda makes clear that the NEA is continuing to advocate bigger and bigger government.

The NEA backs up its agenda with political action committee contributions. This year it will again spend millions on congressional campaigns. In 1994, it was the fifth-biggest contributor in the country. Those PAC dollars are buying big government. On average, NEA-backed Senate and House candidates voted during the first session of the 104th Congress to increase annual federal spending by $30.4 billion and $28.9 billion respectively.

And these numbers are held down by the fact that NEA allies are no longer in control of the congressional agenda. Looking at the legislative wish lists of NEA-backed members in the 1994 election reveals that if all bills it sponsored and cosponsored had been adopted, federal spending would rise by $302 billion per year, an increase of about 20 percent.

Finally, the recent convention demonstrated once again that the union leadership is firmly wedded to the Democratic party. This fact is probably most disturbing to union members since not even a majority call themselves Democrats. NEA polls show that 40 percent of union members are Democrats, with the rest split between Republicans and independents. In fact, a majority of union members voted for Ronald Reagan both in 1980 and 1984.

The convention endorsed Bill Clinton—not surprising, since NEA conventions have been endorsing the Democratic nominee every year since the union first entered presidential politics in 1976. But there is more. So far during this campaign cycle, the leadership has contributed 99 percent of its congressional PAC money to Democrats. Keith Geiger, current NEA president, will leave the union this summer and work with the Clinton campaign. That type of move is not unusual for NEA leaders: for example, Debra DeLee, who was head of NEA government relations, recently became executive director of this summer's Democratic National Convention.

All in all, what union leaders billed as the biggest democratic gathering in the world once again represented neither America's teachers nor America's children. The convention continues the sad saga of a union that has turned a blind eye to the best interests of our school system and the children in it.

● ● ● ●

John E. Berthoud is vice president of the Alexis de Tocqueville Institution, an Arlington, Virginia-based research institute.

Bookshelf

Why Government Doesn't Work

by Harry Browne, New York: St. Martins Press, 1995.

Campaign books tend to read like transcripts of late-night infomercials: they're overly simplistic, and you can't help feeling that the author wants to sell you something.

Harry Browne is running for president on the Libertarian Party ticket, and his book, *Why Government Doesn't Work*, is no exception. But for those who are used to the truisms typically found in Democratic and Republican campaign books, Browne's book is refreshing. His analysis of America's problems is mostly sound, and his candor is rare among political candidates.

The Libertarian Party is America's third-largest political party. Its platform calls for a minimal state in which government's role is restricted to protecting individual liberties and enforcing justice. Most of the nation's problems, according to Browne, are the result of an excess of government power. Consequently, Browne argues that our problems can be solved by strictly limiting what government can do.

Crime, for example, has skyrocketed because government spends too much of its energy locking up non-violent offenders—such as drug users or gun owners—rather than concentrating on murderers, rapists, robbers, and others who represent a real threat to society. To restore order, Browne writes, "we need to stop government from policing morals and prosecuting victimless crimes, end the War on Drugs, stop law-enforcement agencies from seizing property, [and] get rid of gun-control laws."

Government, according to Browne, hasn't fared any better in other areas. Public education has nurtured a nation of half-literates. Federal welfare programs have discouraged self-reliance and created an entire class of dependent people. And health care regulations have killed more people than they've saved because bureaucracy rewards over-caution rather than entrepreneurial risk-taking, discouraging the use of untested but possibly revolutionary medical products.

Browne oversimplifies to make his point, perhaps the inevitable result of addressing so many issues in just 245 pages. But he's right to point out that government is usually an obstacle to human happiness and prosperity, and that limiting government would improve life for the overwhelming majority of us.

Barring a miracle, Harry Browne won't be the next president of the United States. But he's a serious candidate with ideas that ought to be seriously debated. As American voters move away from the extremes of the left and right, the Libertarian Party and its message of fiscal conservatism and social liberalism may someday represent a viable political option.

—Lee Kessler

• • • •

Lee Kessler is editor of *Intellectual Ammunition.*

In a Dark Wood

by Alston Chase, New York: Houghton Mifflin Company, 1995.

Many books get written, but only a few matter. *In a Dark Wood* is one that matters.

Philosopher, author, and syndicated columnist Alston Chase combines an accessible and often entertaining writing style with an encyclopedic knowledge of philosophy, science, and the history of the environmental movement. The result is a stunning rebuttal of the premises of contemporary environmentalism and an unforgettable story about the real people caught in its wake.

Chase takes us along as he interviews loggers, ranchers, Forest Service rangers, scientists, and the founders of modern environmentalism. At first, I was skeptical that these individuals could play major roles in the cultural transformation of a nation of a quarter-billion people. Around the middle of the book, however, even I could see how a few Wall Street raiders, an obscure German philosopher or two, and a handful of pot-smoking liberal activists accomplished exactly that.

Chase builds his case piece by piece through the book until the final chapter, where he puts each piece of the puzzle into place with such confidence and precision the reader almost hears the "click" of cardboard hitting cardboard.

Environmentalists, according to Chase, repeatedly confuse values with facts; naively embrace such European ideas as collectivism and holism without realizing the fascism and tyranny they historically have legitimized; and elevate the vague and value-laden concept of "ecosystems" to a scientific and spiritual ideal when in fact it is only a model with limited implications for the natural world.

Chase gives us hope of a happy ending. "Once we recognize that the balance of nature is not the supreme good, the house that biocentrism built collapses." And sure enough, in the space of a dozen sentences he dismantles contemporary environmentalism so thoroughly and convincingly that it would be a fool's task to attempt to rebuild it.

So buy this book. Better yet, buy three or four and give them to friends and foes alike. This is the book that could change the direction of environmentalism, before it is too late.

—Joseph L. Bast

• • • •

Joseph L. Bast is president of The Heartland Institute.

Eco-Sanity: A Common-Sense Guide to Environmentalism, a Heartland Institute book by Joseph L. Bast, P.J. Hill, and Richard C. Rue, received second prize in the 1996 Sir Anthony Fisher International Memorial Awards, sponsored by the Atlas Economic Research Foundation. Winning entries were those judged to have made the greatest contributions over the past two years to the understanding of a free economy. We thank the judges for their recognition.

A School Choice Plan for Illinois

by Joseph L. Bast, Herbert J. Walberg, and Robert J. Genetski

(This plan for school choice is excerpted from "The Heartland Report on School Finance Reform for Illinois" [The Heartland Institute, May 1996]. The full two-part study was written in response to the "Report of the Governor's Commission on Education Funding for the State of Illinois" [available through PolicyFax *as documents #2124405 and #2124406]. You can obtain the full text of* The Heartland Report *through* PolicyFax; *turn to page 8 of the* PolicyFax *insert for more details.)*

◆

Illinois desperately needs statewide radical reform of its public schools. It needs market-based reforms that motivate students, teachers, administrators, and parents, and an educational choice plan that includes private and religiously affiliated schools. It needs state-certified, privately developed, curriculum-based, and externally administered exams that schools in the educational choice program can administer to their students. And it needs all of this to be accomplished while simultaneously financing property tax relief.

The Heartland Plan is a point of departure for future debate, not necessarily the end of that debate or the final answer to all questions.

The Heartland Plan

1. Eligible students

In the first year of the program, all students entering kindergarten and the first grade would be eligible to receive a scholarship. Eligibility would expand by two grade levels each year until every student is eligible in the 2003-04 school year.

Rationale: This plan gives middle schools three years, and high schools five years, to prepare for the transition. Most students will start out in a school of choice, rather than be transferred to one in midstream, reducing educational disruptions. The cost of tuitioning students who now attend private schools is only gradually absorbed as offsetting savings are realized. Grade by grade and year by year, public schools would gradually have to compete with private schools on a level playing field.

2. Financing the scholarships

The legal guardians of eligible students would receive two scholarships, one from the state and one from the local school district in which they live, for each school-age dependent who becomes eligible to participate in the educational choice program.

The state scholarship would be a flat amount of approximately $1,500 per year, which is current state spending via the foundation formula divided by the total school-age population of the state. The one-third of state funds for education now sent to schools through categorical aid programs could be block-granted and sent to districts with special educational needs, or to districts with low assessed property values and high tax effort levels to subsidize their education spending.

Local governments would also be required to "voucherize" their education spending, once again starting with kindergarten and first grade students in the first year and adding two grade levels each year. By the seventh year of the program, a school district's entire budget would be given directly to parents in the district in the form of school scholarships.

School districts would be required to pass along to local property taxpayers the savings from competition by setting the local scholarship amounts equal to 66 percent of the current local spending level. By the end of the phase-in period, local spending would be one-third less than current spending levels, allowing $2 billion in property tax relief (33 percent of $6.2 billion). State law could also set parameters on how school districts allocate expenses to individual grade levels.

Rationale: Spending by state government on education would stay at current levels, preserving the current reliance on local taxes for approximately two-thirds of school finance. It is important to continue to rely on local funding, to ensure accountability and protect academic achievement. The Heartland Plan accomplishes this even as it "privatizes" the public schools in each of the state's nearly one thousand school districts.

The flat grant approach also eliminates the problems associated with means-tested grants, including the need to audit the incomes of participating parents and the hazard of encouraging dependency on government support. Voucherizing only two-thirds of state aid assures that funds remain available to reduce spending variations among districts, provided the lower-spending districts are showing reasonable tax effort.

By requiring local governments to lower property taxes each year as more students become eligible for the educational choice program, the Heartland Plan guarantees $2 billion of property tax relief in the seventh year. Requiring local school districts to voucherize their support would gradually transform local school boards from advocates for a particular school or system of schools, into supporters of the educational choices made by all of a district's residents and taxpayers.

It may appear to the reader that a comprehensive educational choice plan would be easier to administer and finance if all of the funds came from state government. The amount of the scholarship could be set at a single level, or it could vary to meet special educational needs according to a centrally determined formula. Nevertheless, we strongly warn against succumbing to this temptation. Centralized funding opens the door to centralized control, top-down regulation, and manipulation by special interest groups in Springfield. The Heartland Plan sacrifices some simplicity for the greater goal of preserving individual liberty, freedom of choice, and accountability.

3. Qualifications of participating schools

Public schools would be required to participate. Private schools, whether secular or sectarian, would be free to participate or not to participate. Those that participate would need to

- comply with the standards set forth in 1995 for "recognition" by the Illinois Board of Education;
- arrange for the school's choice of a state-certified examination to be administered to all of the scholarship students they enroll;

- refrain from teaching the hatred or expounding the inferiority of any person or group on the basis of race, ethnicity, color, national origin, religion, or gender, and refrain from discriminating in its admissions policy on the basis of race, color, or national origin.

The scholarship legislation could specify that these requirements could not be changed, or could be changed only with supermajority votes by each chamber of the General Assembly. Public schools would be required to accept locally issued scholarships as full payment for tuition, but private schools could ask parents to pay more or less.

Rationale: Including religiously affiliated schools is essential, since most existing private schools are sectarian. The requirements for recognition by the Board of Education are a carefully worked-out set of standards that all sides agree has worked well for over two decades. Making it difficult for regulators to change the recognition requirements gives participating private schools protection against excessive regulation.

The Illinois Constitution would seem to require that public schools accept the scholarships as full payment for tuition. Requiring that they do so would discourage local school officials from setting the scholarship amounts artificially low during the transition period (in order to keep more money for the grades not yet exposed to competition). Allowing private schools to charge more or less than the amount of the scholarship recognizes that parents have different desires and abilities to pay that are not entirely reflected by local tax policies. When a school charges less than the value of the scholarship, the balance could be held by the state in an Education Savings Account, to be applied to tuition in later years.

4. Evaluation of student progress

Participating schools would be required to choose from among two or more state-certified curriculum-based external examinations (CBEEs) to be administered to all scholarship students. The exams would be privately developed, with the state taking responsibility for reporting test results to parents and taxpayers. Participating schools would report the composite results for each grade level to the appropriate state agency, and individual student scores to students' legal guardians.

Rationale: Providing parents and community members with objective information about how schools are performing, combined with the freedom to choose among competing schools, provides the essential "feedback loop" linking students, parents, teachers, and school administrators. With such a system in place, parents can hold schools accountable without any help from "top-down" regulations.

Would this plan work?

One way to envision how The Heartland Plan would work in practice is to view the new environment from the vantage points of the system's stakeholders. Here is how the post-reform world would look.

Students and their parents

Students and their parents would face a choice of schools with different educational philosophies, concentrations, priorities, and assets, greatly improving the odds of a school being a good "match" for a student. Empowered by their new right to choose a different school, parents would find teachers and administrators much more open to their concerns and much more likely to include them in important decisions. Older students would become part of the process of choosing a school, giving them an emotional stake in their performance.

The CBEEs would give students and parents the objective information they need to choose schools and measure academic progress. Students would find new rewards and recognition for performing well in competitions with students outside their own school. Students would know that scoring well on the CBEE is the key to gaining admission to a selective college or getting a good job after graduation.

Public school teachers

Many public school teachers would view The Heartland Plan as an opportunity to start their own schools or become "teachers in private practices" when the students in the grades they teach become eligible for scholarships. With scholarships averaging $4,000 per student, a single teacher would receive $80,000 for taking charge of a class of twenty elementary school students.

Many teachers would cooperate with other teachers, administrators, and parents who share their teaching philosophy to create new schools that are smaller, focused on academic achievement, and in other ways meet the definition of an effective organization. Many of these schools would rent space in existing public school buildings, creating "schools within schools."

Public school administrators

During the transition period, public school administrators would find their hands full downsizing their schools and preparing for eventual complete privatization. Liberated by state legislation from restrictive collective bargaining laws, they would cut costs, streamline administration, and become more receptive to input from parents and taxpayers.

In a manner similar to that used by their for-profit counterparts, entrepreneurial administrators would try to spin-off new schools, offer to manage other schools on a contract basis, arrange for the sale and conversion of existing school facilities, or seek to sublet space in their buildings to existing and new competitors. Many public school administrators would become administrators of new, smaller, and less bureaucratic schools. There, rather than file reports and battle with union leaders, they would finally do what they really want to do: Focus on building a team of dedicated professionals willing to work with motivated parents to support their children's learning.

Taxpayers

The Heartland Plan could freeze state aid to education at its current level (an option we support), or the amount could be determined each year by state appropriations. The year-to-year change in the amount of the state scholarship would give voters a clear and easy way to understand the state's role in financing education, in contrast to today's confusing debate over the percentage of total spending that comes from state government.

By generating competition and giving local officials the ability to cap per-pupil spending at amounts lower than past spending, the $2 billion in annual savings discussed earlier should appear as property tax relief in the seventh year of the plan (with less, but still significant, property tax relief in each year leading up to the seventh). The Heartland Plan would allow more property tax relief than the plan proposed by Illinois governor Jim Edgar's Commission on Education Funding ($2 billion versus $1.6 billion) without any need to increase state taxes.

Contacts

The Abraham Lincoln Foundation
1710 Underpass Way, Hagerstown, MD 21740-6961

Acton Institute
161 Ottawa NW #301, Grand Rapids, MI 49503,
616/454-3080, info@acton.org

Accuracy in Academia
1710 Underpass Way, Hagerstown, MD 21740-6961

Accuracy in Media
4455 Connecticut Avenue NW #330,
Washington, DC 20008, 202/364-4401,
fax 202/364-4098, ar@take.aim.org

Advocates for Self-Government
1202 N. Tennessee Street. #202, Cartersville, GA
30120, 770/386-8373, fax 770/386-8323

The Alabama Family Alliance
PO Box 59468, Birmingham, AL 35259,
205/870-9900, fax 205/870-4407, ptarget@aol.com

Alexis de Tocqueville Institution

1611 North Kent Street #901, Arlington, VA 22209, phone 703/351-4969, fax 703/351-0090, e-mail adtinst@aol.com. The Alexis de Tocqueville Institution (AdTI) was founded in 1986 to study, promote, and extend the principles of classical liberalism: political equality, civil liberty and economic freedom. AdTI conducts research on five key areas of concern to policymakers: 1) education, 2) immigration, 3) national defense, 4) taxes and economic growth, and 5) deregulation. AdTI publishes numerous studies along with articles and op-eds.

Alexis de Tocqueville Institution
1611 North Kent Street, #901, Arlington, VA 22209,
703/351-4969, fax 703/351-0090, adtinst@aol.com

Allegheny Institute for Public Policy
7 Parkway Center #612, Pittsburgh, PA 15220,
412/937-4526, fax 412/928-1501

American Conservative Union
1007 Cameron Street, Alexandria, VA 22314,
703/836-8602, fax 703/836-8606

American Council on Science and Health,
1995 Broadway, 2nd Floor, New York, NY
10023-5860, 212/362-7044, fax 212/362-4919,
acshmail@aol.com

American Enterprise Institute
1150 17th Street NW, Washington, DC 20036,
202/862-5800, fax 202/862-7178

American Institute for Economic Research
PO Box 1000, Great Barrington, MA 01230,
413/528-1216, fax 413/528-0103, aier@world.std.com

American Land Rights Association
PO Box 400, 30218 NE 82nd Avenue, Battle Ground,
WA 98604, 360/687-3087, alra@pacifier.com

American Legislative Exchange Council
910 17th Street NW, 5th Floor, Washington, DC 20006,
202/466-3800, fax 202/466-3801

Americans for Tax Reform
1320 18th Street NW #200, Washington, DC 20036
202/785-0266, fax 202/785-0261

American Studies Institute
Harding University, Box 899, Searcy,
AR 72149, 501/279-4497, fax 501/279-4076,
gardner@harding.edu

Arizona Institute
7049 East Tanque Verde Road #386, Tucson, AZ
85715, 520/722-3300, fax 520/722-3335

Arkansas Family Council
1300 Westpark Drive #5-B, Little Rock, AR 72204,
501/664-4566, fax 501/664-2317

Arkansas Policy Foundation
8201 Cantrell Road #325, Little Rock, AR 72227,
501/227-4815, fax 501/227-8970, aggiemw2@aol.com

John M. Ashbrook Center
Ashland University, 401 College Avenue, Ashland, OH
44805, 419/289-5411, fax 419/289-5425

Atlantic Legal Foundation
205 East 42nd Street, 9th Floor, New York, NY 10017,
212/573-1960

The Atlas Economic Research Foundation
4084 University Drive #103, Fairfax, VA 22030-6812,
703/934-6969, fax 703/352-7530, atlas@his.com

Beacon Hill Institute for Public Policy Research
Suffolk University, 8 Ashburton Place, Boston, MA
02108-2270, 617/573-8750, fax 617/720-4272,
bhi@acad.suffolk.edu

The Blum Center for Parental Freedom in Education
Marquette University, Brooks Hall 209, PO Box 1881,
Milwaukee, WI 53201-1881, 414/288-7040,
fax 414/288-3170, blumcenter@vms.csd.mu.edu

The Buckeye Institute for Public Policy Solutions
131 North Ludlow Street #317, Dayton, OH 45402,
513/224-8352, fax 513/224-8457, buckeyeins@aol.com

California Public Policy Foundation
PO Box 931, Camarillo, CA 93011, 805/445-9183

Capital Research Center
727 15th Street NW, 8th Floor, Washington, DC
20005-2168, 202/393-2600, fax 202/393-2626,
74157.1070@compuserve.com

Capitol Resource Institute
1314 H Street #203, Sacramento, CA 95814, 916/498-
1940, fax 916/448-2888, capitolres@aol.com

Cascade Policy Institute
813 SW Alder Street #707, Portland, OR 97205,
503/242-0900, fax 503/242-3822,
cascadepol@aol.com

Catalyst Institute
33 North LaSalle Street #1920, Chicago, IL 60602,
312/541-5415, fax 312/541-5401

Cato Institute
1000 Massachusetts Avenue NW, Washington, DC
20001, 202/842-0200, fax 202/842-3490,
cato@cato.org

Center of the American Experiment
1024 Plymouth Building, 12 South Sixth Street, Minnea-
polis, MN 55402, 612/338-3605, fax 612/338-3621,
amexp@amexp.org

The Center for Education Reform
1001 Connecticut Avenue NW #204, Washington, DC
20036, 202/822-9000, fax 202/822-5077,
cerdc@aol.com

Center for Independent Thought
938 Howard Street, San Francisco, CA 94103,
415/541-9780, fax 415/541-0597, orders@lfb.org

Center for Individual Rights
1300 19th Street NW #260, Washington, DC 20036,
202/833-8400, cir@mail.wdn.com

Center for the New West
600 World Trade Center, 1625 Broadway, Denver, CO
80021, 303/572-5400, fax 303/572-5499,
cnwinfo@newwest.org

Center for Policy Studies
201 Sirrine Hall, Clemson University, Clemson, SC
29634, 803/656-1346, fax 803/656-4532

Center for Rebuilding America's Schools
800 East Northwest Highway #1060, Palatine, IL
60067, 847/202-3060, fax 847/202-9799

Center for the School Community
121 North Kickapoo, Lincoln, IL 62656, 217/732-6462,
fax 217/732-3696

Center for the Study of American Business

Washington University, Box 1208, One Brookings Drive, St. Louis, MO 63130-4899, 314/935-5630, fax 314/935-5688, e-mail warren@csab.wustl.edu. The Center for the Study of American Business was established at Washington University in St. Louis in 1975 to improve public understanding of the American business system and to foster a public policy environment in which the U.S. market economy can prosper. The Center is a nonprofit 501(c)(3) organization funded entirely by grants from foundations, business firms, and private citizens. More information on the Center is available from their Web site at http://csab.wustl.edu.

Center for the Study of American Business
Washington University, Box 1208, One Brookings
Drive, St. Louis, MO 63130-4899, 314/935-5630,
fax 314/935-5688, warren@csab.wustl.edu

Center for the Study of Popular Culture
9911 West Pico Boulevard #1290, Los Angeles, CA
90035, 310/843-3699, fax 310/843-3692

CEO America
PO Box 1543, Bentonville, AR 72712, 501/273-6957,
fax 501/273-9362, ceoa@aol.com

Citizens against Government Waste
1301 Connecticut Avenue NW #400, Washington, DC
20036, 202/467-5300, fax 202/467-4253

Citizens for a Sound Economy
1250 H Street NW #700, Washington, DC 20005-3908,
202/942-7629, fax 202/783-4687, cse@cse.org

Citizens for Educational Choice
90 Highland Street, Milford, MA 01757, 508/634-6847

Citizens for Educational Freedom
927 South Walter Reed Drive #1, Arlington, VA 22204,
703/486-8311, fax 703/486-3160, cefvoucher@aol.com

Citizens League
708 South 3rd Street #500, Minneapolis,
MN 55415, 612/338-0791, fax 612/337-5919,
lwray@epx.cis.umn.edu

The Claremont Institute
250 West First Street #330, Claremont, CA 91711,
909/621-6825, fax 909/626-8724, bboychuk@aol.com

Committee for a Constructive Tomorrow
PO Box 65722, Washington, DC 20035, 202/429-2737,
fax 301/859-0944, cfact@dgs.dgsys.com

**The Commonwealth Foundation
for Public Policy Alternatives**
3544 North Progress Avenue #101, Harrisburg, PA
17110, 717/671-1901, fax 717/671-1905

Competitive Enterprise Institute

1001 Connecticut Avenue NW #1250, Washington, DC 20036, phone 202/331-1010, fax 202/331-0640, e-mail info@cei.org. The Competitive Enterprise Institute (CEI) is a pro-market public policy group committed to advancing the principles of free enterprise and limited government. Founded in 1984, CEI emphasizes the marketing and implementation of classical liberal ideals. CEI utilizes a five-point management approach to affecting public policy: analysis, education, coalition building, advocacy, and litigation. Its purpose is to advance the free-market agenda, believing limited government and competition best serve the public interest. A nonprofit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, CEI relies entirely on donations from corporations, foundations, and private individuals. CEI's Web site can be found at http://www.cei.org.

Competitive Enterprise Institute
1001 Connecticut Avenue NW #1250, Washington, DC
20036, 202/331-1010, fax 202/331-0640, info@cei.org

Congressional Institute, Inc.
316 Pennsylvania Avenue SE #403, Washington, DC
20003-1147, 202/547-4600, fax 202/547-3556,
ci@conginst.org

Connecticut Policy and Economic Council, Inc.
99 Pratt Street, #500, Hartford, CT 06103,
860/527-8177, fax 860/246-9790, cpec@aol.com

Constitutional Heritage Institute
608 North 108th Court, PO Box 540787, Omaha, NE
68154, 402/333-5193, fax 402/333-5193,
chioffice@aol.com

Consumer Alert
1001 Connecticut Avenue NW #1128, Washington, DC
20036, 202/467-5809, fax 202/467-5814,
calert@aol.com

Consumers Research, Inc.
800 Maryland Avenue NE, Washington, DC 20002,
202/546-1713, fax 202/546-1638, crmag@aol.com

Council for Affordable Health Insurance
112 South West Street, 4th Floor, Alexandria, VA
22314, 703/836-6200, fax 703/836-6550

Defenders of Property Rights
6235 33rd Street NW, Washington, DC 20015,
202/686-4197, fax 202/686-0240, dwalmasi@aol.com

Delaware Public Policy Institute
PO Box 1052, Wilmington, DE 19899-1052,
302/655-7221, fax 302/654-0691

The Dumont Institute
236 Johnson Avenue, Dumont, NJ 07628,
201/387-1456, fax 201/387-0744, dumontinst@aol.com

The Educational Excellence Network
223 North Guadelupe Street #305, Sante Fe, NM
87501, 202/966-8922, fax 202/363-0488

The Empire Foundation for Policy Research
PO Box 825, Clifton Park, NY 12065,
518/383-2877

Employee Benefit Research Institute
2121 K Street NW #600, Washington, DC 20037
202/659-0670, fax 202/775-6312

Environmental Education Enterprises
2764 Sawbury Boulevard, Columbus, OH 43235,
614/792-0005, fax 614/792-0006, e3jklucky@aol.com

Ethan Allen Institute
RFD 1-Box 43, Concord, VT 05824-9505,
802/695-1448, fax 802/695-1448,
ethallen@plainfield.bypass.com

Evergreen Freedom Foundation
PO Box 552, Olympia, WA 98507, 360/956-3482,
fax 360/352-1874, efswa@aol.com

Family Research Council
700 13th Street NW #500, Washington, DC 20005,
202/393-2100, fax 202/393-2134, frc@sojourn.com

Family Research Institute of Wisconsin
111 King Street #25, Madison, WI 53703-3339,
608/256-3228, fax 608/256-3370

**The Federalist Society for
Law and Public Policy Studies**
1700 K Street NW #901, Washington, DC 20006,
202/822-8138, fax 202/296-8061

Florida Family Council
101 East Kennedy Boulevard #3120, Tampa, FL 33602,
813/222-8300, fax 813/222-8301

Focus on the Family
8605 Explorer Drive, Colorado Springs, CO 80920,
719/531-3400, fax 719/548-4525

***Foundation for the Advancement
of Monetary Education***
211 East 43rd Street #2202 New York, NY 10017-4707,
212/818-1206, fax 212/818-1197

The Foundation for Economic Education
30 South Broadway, Irvington-on-Hudson,
NY 10533, 914/591-7230, fax 914/591-8910,
freeman@westnet.com

Foundation for Florida's Future
PO Box 144155, Coral Gables, FL 33114,
305/442-0414, fax 305/442-2215, cory@fff.org

**Foundation for Research on
Economics and the Environment**
945 Technology Boulevard #101F, Bozeman, MT
59715, 406/585-1776, fax 406/585-3000, free@mcn.net

The Fraser Institute
626 Bute Street, 2nd Floor, Vancouver, BC, V6E 3M1
Canada, 604/688-0221, fax 604/688-8539,
fraser_institute@mindlink.bc.ca

Free Congress Foundation
717 Second Street NE, Washington, DC 20002,
202/546-3004, fax 202/546-7689, netmail@fcfef.org

Free Market Committee
PO Box 740367, Dallas, TX 75374, 214/348-2801

Free Market Foundation
PO Box 741777, Dallas, TX 75374, 214/680-9171

Future of Freedom Foundation
11350 Random Hills Road #800, Fairfax, VA 22030,
703/934-6101, fax 703/803-1480, freedom@fff.org

The George C. Marshall Institute
1730 M Street NW #502, Washington, DC
20036-4505, 202/296-9655, fax 202/296-9714,
71553.3017@compuserve.com

Georgia Family Education and Research Council, Inc.
3937 Holcomb Bridge Road #301, Norcross, GA
30092, 404/242-0001, fax 404/242-0501

Georgia Public Policy Foundation
4340 Georgetown Square #608, Atlanta, GA 30338,
770/455-7600, fax 770/455-4355, gppf@america.net

Golden State Center for Policy Studies
1127 11th Street #206, Sacramento, CA 95814,
916/446-7924, fax 916/446-7990, britrav@aol.com

Goldwater Institute
201 North Central, Phoenix, AZ 85004, 602/256-7018,
fax 602/256-7045, goldwat@soho.ios.com

Gun Owners of America
8001 Forbes Place, Springfield, VA 22151,
703/321-8585

The Heartland Institute
800 East Northwest Highway #1080, Palatine, IL
60067, 847/202-3060, fax 847/202-9799,
think@heartland.org

The Heritage Foundation
214 Massachusetts Avenue NE, Washington, DC
20002, 202/546-4400, fax 202/546-8328,
info@heritage.org

Hillsdale College
33 East College Street, Hillsdale, MI 49242,
517/437-7341, fax 517/437-0160

Hoover Institution
Stanford University, Stanford, CA 94305-6010,
415/723-3373, fax 415/723-1687

Hudson Institute
Herman Kahn Center, PO Box 26-919, Indianapolis,
IN 46226, 317/545-1000, fax 317/545-9639

Independence Institute
14142 Denver West Parkway #101, Golden, CO
80401, 303/279-6536, fax 303/279-4176,
tomtank@aol.com

Contacts

Independent Institute
134 98th Avenue, Oakland, CA 94603, 510/632-1366,
fax 510/568-6040, independ@dnai.com

Indiana Policy Review Foundation
320 North Meridian #904, Indianapolis, IN
46204-1725, 317/236-7360, fax 317/236-7370

Institute for American Values
1841 Broadway #211, New York, NY 10023,
212/246-3942

Institute for Contemporary Studies
720 Market Street, 4th Floor, San Francisco, CA
94102, 415/981-5353, fax 415/986-4878,
icspress@hooked.net

Institute for Humane Studies
George Mason University, 4084 University Drive
#101, Fairfax, VA 22030, 703/934-6920,
fax 703/352-7535, ihs@gmu.edu

The Heartland Institute
800 East Northwest Highway #1080, Palatine, IL 60067, phone 847/202-3060, fax 847/202-9799, e-mail think@heartland.org. The Heartland Institute is a twelve-year-old nonprofit research institution that applies cutting-edge research to state and national public policy problems. Toward that end, Heartland publishes books, policy studies, *Intellectual Ammunition*, and shorter opinion pieces. The institute also operates a fax-on-demand service called *PolicyFax*, through which thousands of public policy documents from nearly 150 of the nation's leading think tanks and publications are available. Heartland's World Wide Web site can be found by pointing your web browser to http://www.heartland.org.

Institute for Independent Education
1313 North Capitol Street NE, Washington, DC 20006,
202/745-0500, fax 202/745-9298, iie@prodigy.com

Institute for Justice
1717 Pennsylvania Avenue NW #200, Washington, DC
20006, 202/955-1300, fax: 202/955-1329
fax 202/457-8574

Institute for Policy Innovation
250 South Stemmons Highway #306, Lewisville, TX
75067, 214/219-0811, fax 214/219-2625, ipi@i-link.net

Institute for Research on the Economics of Taxation
1300 19th Street NW #240, Washington, DC 20036,
202/463-1400, fax 202/463-6199

Institute of Economic Affairs
2 Lord North Street, London, SW1P 3LB, UK, fax (+44)
(0)171 799 2137

Institute of Political Economy
Utah State University, Political Science Department,
Logan, UT 84322-0725, 801/797-2064, fax 801/797-3751, c-nielsen@wpo.hass.usu.edu

The Institute on Religion and Public Life
156 Fifth Avenue #400, New York, NY 10010,
212/627-1985, fax 212/627-2184

The James Madison Institute
PO Box 13894, Tallahassee, FL 32317-3894,
904/386-3131, fax 904/386-1807, clendinen@aol.com

The John Locke Foundation
1304 Hillsborough Street., Raleigh, NC 27605,
919/828-3876, fax 919/821-5117, locke@interpath.com

Josiah Bartlett Center for Public Policy
PO Box 897, Concord, NH 03302-0897,
603/224-4450, fax 603/224-4329

Laissez Faire Institute
828 North Poplar Court, Chandler,
AZ 85226, 602/940-9824

Landmark Legal Foundation
2345 Grand Avenue #2310, Kansas City, MO 64108,
816/474-6600, fax 816/474-6609, hutchp@aol.com

Law and Economics Center
University of Miami, PO Box 248000, Coral Gables,
FL 33124, 305/284-6174, fax 305/662-9159,
kwclarkson@aol.com

Lincoln Legal Foundation
100 West Monroe #1600, Chicago, IL 60603,
312/606-0951, fax 312/606-8879

Louisiana Citizens for a Sound Economy
PO Box 80362, Baton Rouge, LA 70898,
504/387-2242, fax 504/387-2244

Mackinac Center for Public Policy
PO Box 568, Midland, MI 48640, 517/631-0900,
fax 517/631-0964, mcppideas@aol.com

Manhattan Institute
52 Vanderbilt Avenue, New York, NY 10017, 212/599-7000, fax 212/599-3494, dotsikas@pppmail.nyser.net

Media Research Center
113 South West Street, 2nd Floor, Alexandria, VA
22314, 703/683-9733, fax 703/683-9736,
ajmrc@aol.com

Michigan Family Forum
611 South Walnut Street, Lansing, MI 48933,
517/374-1171, fax 517/374-6112

The Mid-America Legal Foundation
150 N. Michigan Avenue #2500, Chicago, IL 60601,
312/750-3569

Minnesota Family Council
2855 Anthony Place South #150, Minneapolis, MN
55418-3265, 612/789-8811, fax 612/789-8857

Minority Mainstream
13555 Bammel North Houston #189, Houston,
TX 77066, 713/228-6246, fax 713/583-9534,
grichardson@ghgcorp.com

Mississippi Family Council
PO Box 13514, Jackson, MS 39236, 601/969-1200,
fax 601/969-1600, msfamily@aol.com

Mountain States Legal Foundation
1660 Lincoln Street #2300, Denver, CO 80264,
303/861-0244, fax 303/831-7379

National Center for Policy Analysis
12655 North Central Expressway #720, Dallas, TX
75243-1739, 214/386-6272, fax 214/386-0924,
ncpa@onramp.net

National Center for Policy Analysis
12655 North Central Expressway #720, Dallas TX 75243-1739, phone 214/386-6272, fax 214/386-0924, e-mail ncpa@onramp.net. The National Center for Policy Analysis (NCPA) was established in 1983 to provide policymakers with timely, detailed, and accurate information about the impact of proposed policies and legislation. NCPA's primary goal is to develop and promote private alternatives to government regulation and control, solving problems by relying on the strengths of the competitive, entrepreneurial private sector. NCPA's World Wide Web site can be found by pointing your Web browser to http://www.public-policy.org/~ncpa.

National Center for Public Policy Research
300 Eye Street NE #3, Washington, DC 20002,
202/543-1286, fax 202/543-4779, reliefprt@aol.com

National Chamber Foundation
1615 H Street NW, Washington, DC 20062,
202/463-5552, fax 202/463-3124

National Licensed Beverge Association
4214 King Street West, Alexandria, VA 22302,
703/671-7575, fax 703/847-0310, NLBA@msn.com

National Rifle Association of America
11250 Waples Mill Road, Fairfax, VA 22030-7400,
703/267-1000, fax 703/267-3918, contact@nra.org

National Right to Work Committee
8001 Braddock Road, Springfield, VA 22160,
703/321-9820, fax 703/321-7342

National Taxpayers Union
108 N. Alfred Street, Alexandria, VA 22314,
703/683-5700, fax 703/683-5722

Nevada Policy Research Institute
PO Box 20312, Reno, NV 89515-0312,
702/786-9600, fax 702/786-9604

New Citizenship Project
1150 17th Street NW #510, Washington, DC 20036,
202/822-8333, fax 202/822-8325

New Coalition for Economic and Social Change
300 South Wacker Drive #601, Chicago, IL 60606,
312/427-1290, fax 312/427-1291

New England Legal Foundation
150 Lincoln Street, Boston, MA 02111,
617/695-3660, fax 617/695-3656

New Mexico Foundation for Economic Research
PO Box 1216, Albuquerque, NM 87103,
505/243-5400, fax 505/243-1700

New York Citizens for a Sound Economy
PO Box 469 Port Chester, NY 10573,
914/939-0067, fax 914/939-0174

Oklahoma Citizens for a Sound Economy
PO Box 2181, Edmond, OK 73083-2181,
405/330-4002, fax 405/330-3601

Oklahoma Council of Public Affairs
100 West Wilshire Avenue #C-3, Oklahoma City,
OK 73116, 405/843-9212, fax 405/843-9436,
ocpathink@aol.com

Oklahoma Family Policy Council
5101 North Classen Boulevard #307, Oklahoma City,
OK 73118-4422, 405/840-3005, fax 405/840-4288

Pacific Legal Foundation
2151 River Plaza Drive #305, Sacramento,
CA 95833-3881, 916/641-8888, fax 916/920-3444

Pacific Research Institute
755 Sansome Street #450, San Francisco, CA 94111,
415/989-0833, fax 415/989-2411, pripp@aol.com

Parents Rights
12571 Northwinds Drive, St. Louis,
MO 63146, 314/434-4171

Reason Foundation
3415 South Sepulveda Boulevard #400, Los Angeles, CA 90034, phone 310/391-2245, fax 310/391-4395, e-mail rich@reason.org. Founded in 1978 and based in Los Angeles, California, the Reason Foundation is a national public policy research organization with a practical market-based approach and an outside-Washington perspective. The Reason Foundation has earned a reputation for sound economic research. *Reason*, the Foundation's independent social and political commentary magazine, is one of the nation's leading magazines of policy and politics. The Reason Foundation has a World Wide Web site; point your Web browser to http://www.reason.org.

Partners Advancing Values in Education
1434 West State Street, Milwaukee, WI 53233,
414/342-1505, fax 414/342-1513

Pattern Research
PO Box 9845, Denver, CO 80209, 303/778-0880,
fax 303/778-2680, lief@pattern.rmnug.org

Pennsylvania Family Institute
3544 N. Progress Avenue #104, Harrisburg, PA 17110,
717/545-0600, fax 717/545-8107, pafamily@aol.com

Pennsylvania Leadership Council
225 State Street #330, Harrisburg, PA 17101,
717/232-5919, fax 717/232-1186

PERC
502 South 19th Street #211, Bozeman, MT 59715,
406/587-9591, fax 406/586-7555, perc@perc.org

The Philanthropy Roundtable
320 North Meridian Street, #908, Indianapolis, IN
46204-1725, 317/639-6546, fax 317/236-7370

Pioneer Institute
85 Devonshire Street, 8th Floor, Boston,
MA 02109, 617/723-2277, fax 617/723-1880,
75374.643@compuserve.com

Privatization Research Organization, School of Public Affairs
Baruch College/City University of New York,
17 Lexington Avenue, New York, NY 10010,
212/802-5909, fax 212/802-5903

The Property Rights Foundation of America Inc.
PO Box 75, Stony Creek, NY 12878, 518/696-5748

Public Affairs Research Institute of New Jersey
212 Carnegie Center #100, Princeton, NJ 08540-6212,
609/452-0220, fax 609/452-1788, parinj@aol.com

Public Interest Institute
600 North Jackson Street, Mt. Pleasant, IA
52641-0135, 319/385-3462, fax 319/385-3799

Public Service Research Foundation
527 Maple Avenue East, 3rd Floor, Vienna,
VA 22180, 703/242-3575, fax 703/242-3579

The Progress and Freedom Foundation
1301 K Street NW #650 West, Washington D.C. 20005,
202/289-8928, fax 202/289-6079, mail@pff.org

Reason Foundation
3415 South Sepulveda Boulevard #400,
Los Angeles, CA 90034-6064, 310/391-2245,
fax 310/391-4395, rich@reason.org

Rockford Institute
934 Main Street, Rockford, IL 61103, 815/964-5053,
fax 815/965-1826, rkfdinst@bossnt.com

Rose Institute for State and Local Government
Claremont McKenna College, Claremont,
CA 91711, 909/621-8159, fax 909/607-4288,
anguyen@cmcvax.mckenna.edu

Science & Environmental Policy Project
4084 University Drive #101, Fairfax, VA 22030,
703/934-6940, fax 703/352-7535

Separation of School and State Alliance
4578 North First #310, Fresno, CA 93726, 209/292-1776, fax 209/292-7582, separate@sepschool.org

Sequoia Institute
3479 Beaver Ford Court, Woodbridge,
VA 22192, 703/590-0496, fax 703/730-1156

Small Business Survival Committee
1320 18th Street NW #200, Washington, DC 20036,
202/785-0238, fax 202/822-8118, rstikes@sbsc.org

South Carolina Policy Council
1419 Pendleton Street, Columbia, SC 29201,
803/779-5022, fax 803/779-4953

Southeastern Legal Foundation
3340 Peachtree Road NE #2515, Atlanta,
GA 30326, 404/365-8500, fax 404/365-0017

State Policy Network
816 Mill Lake Road, Fort Wayne, IN
46845-6400, 219/637-7778, fax 219/637-7779

The St. Lawrence Institute
PO Box 307, N.D.G. Station, Montreal,
Quebec, H4A 3P6, 514/489-0312,
sparkins@pharma1.pharma.mcgill.ca

Sutherland Institute
Independence Square, 111 East 5600 South #208,
Murray, UT 84107, 801/281-2081, fax 801/281-2414

Tax Foundation
1250 H Street NW #750, Washington, DC
20005-3908, 202/783-2760, fax 202/942-7675

Texas Citizens for a Sound Economy
1005 Congress Avenue #910, Austin, TX 78701,
512/476-5905, fax 512/476-5906

Texas Public Policy Foundation
PO Box 40519, San Antonio, TX 78229, 210/614-0080,
fax 210/614-2649, pppf@txdirect.net

U.S. Term Limits Foundation
1511 K Street NW #540, Washington, DC 20005,
202/393-6440, fax 202/393-6434

Utah Taxpayers Association
1578 West 1700 South #201, Salt Lake City,
UT 84104, 801/972-8814, fax 973-2324

Veritas Institute for Public Policy Research
2020 West 21st Street #46, Wichita, KS 67203,
316/838-1140, fax 316/838-5637

Virginia Citizens for a Sound Economy
PO Box 7551, Charlottesville, VA 22906,
703/863-8612, fax 703/863-8614

The Washington Institute for Policy Studies
P.O. Box 24645, Seattle, WA 98124-0645, phone 206/938-6300 (800/546-4460), fax 206/938-6313, e-mail wainst@aol.com. The Washington Institute for Policy Studies is a nonpartisan, tax-exempt research organization based in Seattle, Washington. The Institute was founded in 1985 on the principles of limited government, individual freedom, free enterprise, more accountability for how tax dollars are spent, and the development of private-sector solutions for social problems. Their World Wide Web site can be found at http://www.wips.org.

Washington Institute for Policy Studies
PO Box 24645, Seattle, WA 98124-0645,
206/938-6300 (800/546-4460), fax 206/938-6313,
wainst@aol.com

Washington Legal Foundation
2009 Massachusetts Avenue NW, Washington, DC
20036, 202/588-0302, fax 202/588-0386

Washington Research Council
1301 5th Avenue #2810, Seattle, Washington
98101-2603, 206/467-7088, fax 206/467-6957,
71550.2021@compuserve.com

Wisconsin Policy Research Institute
PO Box 487, Thiensville, WI 53092-0487, 414/963-0600, fax 414/963-4230

Yankee Institute
117 New London Turnpike, Glastonbury,
CT 06033, 860/633-8188, fax 860/657-9444

Tell Us What You Think of Intellectual Ammunition.

At *Intellectual Ammunition*, we're committed to serving your needs. Let us know how we're doing. Please take a few minutes to fill out the survey below and fax it back to us at *847/202-9799*. Thank you for your input.

1. How many minutes did you spend reading this issue? ☐ fewer than 5 ☐ 5 to 15 ☐ 15 to 30 ☐ over 30

2. Will you keep this issue for future reference? ☐ yes ☐ no

3. Is *Intellectual Ammunition* a **useful** tool that you use in the course of your work? ☐ always ☐ usually ☐ sometimes ☐ never

4. Do you feel the information in *Intellectual Ammunition* is **reliable**? ☐ always ☐ usually ☐ sometimes ☐ never

5. Does *Intellectual Ammunition* address issues in a **timely** fashion? ☐ always ☐ usually ☐ sometimes ☐ never

6. Are there topics that should be regularly addressed in *Intellectual Ammunition* but currently aren't? If so, please list. ____________________

7. How could *Intellectual Ammunition* be improved? ____________________

8. Have you ever used *PolicyFax* to request complete copies of the documents reviewed in the insert to this magazine? ☐ yes ☐ no
If no, why not? ____________________

9. How could *PolicyFax* be improved? ____________________

10. How would you characterize The Heartland Institute's reputation among your peers?
☐ excellent ☐ very good ☐ adequate ☐ fair ☐ poor

11. How would you rate The Heartland Institute's overall performance? ☐ excellent ☐ very good ☐ adequate ☐ fair ☐ poor

12. Other comments? ____________________

13. Can we quote you in future promotional efforts? ☐ yes ☐ no

name ____________________ title ____________________
organization ____________________
address ____________________
city, state, zip ____________________
telephone ____________________ fax ____________________ e-mail ____________________

Fax to **847/202-9799**. Or mail to **The Heartland Institute**, 800 East Northwest Highway #1080, Palatine, IL 60067.

The Heartland Institute
800 East Northwest Highway #1080
Palatine, Illinois 60067

This is your
PolicyFax
account number!

Non-profit organization
U.S. POSTAGE
PAID
CHICAGO, ILL.
Permit No. 4826